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Superfund Comprehensive Accomplishments Plan (SCAP) Manual. Fiscal Year 1989. Volume 1

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Abstract: The FY89 Superfund Comprehensive Accomplishments Plan (SCAP) Manual presents and discusses the relationships among the major Superfund program management tools. This includes identifying program goals and priorities, translating those program priorities into targets and measures that are planned and tracked through the SCAP and, finally, using the evaluation process to determine whether program goals are being met. The program management philosophy for FY 1989 emphasizes rapid decision making and a bias for action. Program actions need to be directed toward achieving and exceeding program targets where possible.

United States
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Superfund

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SCAP for Fiscal Year 1989

Superfund Comprehensive Accomplishments Plan Manual - Volume 1

- Planning Procedures and Requirements
- Financial Management
- Program Assessment

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SUPERFUND COMPREHENSIVE ACCOMPLISHMENTS PLAN

(SCAP)

VOLUME I

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ACRONYMS

AA SWER --	Assistant Administrator Solid Waste and Emergency Response
AAU --	Administrative Assistance Unit
ADCR --	Automated Document Control Register
ADP --	Automated Data Processing
ALS --	Automated Litigation Support
ALT --	Alternate
AN --	Account Number
AO --	Administrative Order
AOA --	Advice of Allowance
APR --	Approved
AR --	Administrative Record
ARCS --	Alternative Remedial Contracts Strategy
ASU --	Administrative Support Unit
BC/AOA --	Budget Control/Advice of Allowance
BFS --	Budget and Forecasting Section
CA --	Cooperative Agreement
CB --	Case Budget
CERCLA --	Comprehensive Environmental Response, Compensation, and Liability Act of 1980
CERCLIS --	Comprehensive Environmental Response, Compensation, and Liability Information System
CFMC --	Cincinnati Financial Management Center
CD --	Consent Decree
CPCA --	Core Program Cooperative Agreement
CLP --	Contract Laboratory Program
CN --	Commitment Notice
CO --	Contracting Officer
COE --	Corps of Engineers
CORA --	Cost of Remedial Action
CR --	Community Relations
CWA --	Clean Water Act
DCN --	Document Control Number
DCR --	Document Control Register
DOD --	Department of Defense
DOE --	Department of Energy
DOI --	Department of the Interior
DOJ --	Department of Justice
DPO --	Deputy Project Officer
CEPP --	Chemical Emergency Preparedness Program
EMI --	Environmental Priorities Initiative
EMSL --	Environmental Monitoring Systems Laboratory
ESF --	Emergency Support Function
ERA --	Expedited Response Action
ERCS --	Emergency Response Cleanup Services
ERD --	Emergency Response Division
EW --	Expert Witness
FAMS --	Financial and Administrative Management Systems
FCO --	Funds Certifying Officer
FE --	Federal Enforcement
FEMA --	Federal Emergency Management Agency

FIT --	Field Investigation Team
FIRSTUP --	Financial Information Register Satellite Terminal User's Package
FMFIA --	Federal Managers Financial Intergrity Act
FMO --	Financial Management Officer
FMS --	Financial Management System
FOIA --	Freedom of Information Act
FS --	Feasibility Study
FSS/FSC --	First and Subsequent Start and First and Subsequent Completion
FTE --	Full-time Equivalent
FY --	Fiscal Year
GAD --	Grants Administration Division
HQ --	Headquarters
HRS --	Hazard Ranking System
IAG --	Interagency Agreement
IMC --	Information Management Coordinator
IRMs --	Initial Remedial Measures
LNRD --	Land and Natural Resources Division
LOC --	Letter of Credit
LSI --	Listing Site Inspection
MEP --	Maximum Extent Possible
MES --	Management and Evaluation Section
MSCA --	Multi-Site Cooperative Agreement
NFRAP --	No Further Remedial Action Planned
NBAR --	Non-Binding Allocation of Responsibility
NCP --	National Oil and Hazardous Substances Pollution Contingency Plan
NOAA --	National Oceanic and Atomspheric Administration
NPL --	National Priorities List
O&M/LTR --	Operations and Maintenance/Long Term Response
OERR --	Office of Emergency and Remedial Response
OMB --	Office of Management and Budget
OMSE --	Office of Management Systems and Evaluation
OPAC --	On-line Payment and Collections
OPM --	Office of Program Management
ORC --	Office of Regional Counsel
OSC --	On-Scene Coordinator
OSWER --	Office of Solid Waste and Emergency Response
OU --	Operable Unit
OWPE --	Office of Waste Programs Enforcement
PA --	Preliminary Assessment
P&CMD --	Procurement and Contracts Management
PMSO --	Program Management Support Office
PNRS --	Preliminary Natural Resource Surveys
PO --	Project Officer
PR --	Procurement Request
PRP --	Potentially Responsible Party
QA/QC --	Quality Assurance and Quality Control
RA --	Remedial Action
RCRC --	Regional Cost Recovery Coordinator
RD --	Remedial Design
REM --	Remedial Contractor
RI --	Remedial Investigation
RI/FS --	Remedial Investigation and Feasibility Study
ROD --	Record of Decision
RP --	Responsible Party

RPM --	Remedial Project Manager
RPO --	Remedial Project Officer
RRT --	Regional Response Team
RTP --	Research Triangle Park
RTS --	Removal Tracking System
SARA --	Superfund Amendments and Reauthorization Act of 1986
SCAP --	Superfund Comprehensive Accomplishments Plan
SFO --	Servicing Finance Officer
SIBAC --	Simplified Interagency Billing and Collection
SIF --	Site Information Form
SMOA --	State Memorandum of Agreement
SPCC --	Spill Prevention Control and Countermeasure
SPMS --	Strategic Planning and Management System
SPR --	Superfund Progress Report
SPUR --	Software Package for Unique Reports
SSC --	Superfund State Contracts
SSI --	Screening Site Inspection
S/S ID --	Site/Spill Identification Number
TAG --	Technical Assistance Grants
TAT --	Technical Assistance Team
TBD --	To Be Determined
TESWATS --	Technical Enforcement Support Work Assignment Tracking System
TES --	Technical Enforcement Support
USACE --	United States Army Corp of Engineers
USFWS --	United States Fish and Wildlife Service
USCG --	United States Coast Guard
WA --	Work Assignment

MANAGER'S SCHEDULE OF SIGNIFICANT EVENTS

QUARTER 1	OCTOBER
First quarter Advice of Allowance issued	1
Accomplishments data pulled from CERCLIS/CERHELP and provided for: 1) entry into OMSE SPMS system for preliminary FY88 End-of-Year; 2) AA monthly report; and 3) special program reports.	11
Final SPMS accomplishment data pulled from CERCLIS and provided for: 1) Superfund Progress Report; 2) pro-active memorandum; 3) end-of-year assessment for FY88; and 4) final FY88 SPMS Accomplishments.	18
Pull of CERCLIS enforcement data for funds to be transferred to DOJ for expert witnesses and litigation support	29
	NOVEMBER
FY89 final targets, including open season changes, set in CERHELP	7
Accomplishments data pulled from CERCLIS/CERHELP and provided for: 1) Superfund Progress Report; 2) special program reports; 3) AA monthly report; and	7
OMSE SPMS verified (fourth quarter FY88)	14-18
OMSE SPMS system closes (fourth quarter FY88)	21
	DECEMBER
Draft FY90 Operating Guidance and SPMS Measures sent to regions for review	1
Pull of CERCLIS/CERHELP data for: 1) second quarter Advice of Allowance; 2) removal planning; and 3) project support planning.	2
Accomplishments data pulled from CERCLIS/CERHELP and provided for: 1) Superfund Progress Report; 2) special program reports; and 3) AA monthly report.	7
Call memorandum for semi-annual planning and mid-year assessment sent to the regions	12
Second quarter Advice of Allowance request submitted to Office of Budget	16

MANAGER'S SCHEDULE OF SIGNIFICANT EVENTS (Cont'd)

QUARTER 2	**JANUARY**
Second quarter Advice of Allowance issued	5
Accomplishments data pulled from CERCLIS/CERHELP and provided for: 1) entry into OMSE SPMS system for first quarterly review; 2) Superfund Progress Report; 3) special program reports; and 4) AA monthly report.	6
Data pulled from CERCLIS/CERHELP for pro-active memorandum	6
OMSE SPMS data verified	9-13
OMSE SPMS system closes	13
Regional comments on FY90 Operating Guidance due	15
Program management conference	23-27
	FEBRUARY
Accomplishments data pulled from CERCLIS/CERHELP and provided for: 1) Superfund Progress Report; 2) special program reports; 3) AA monthly report; and 4) mid-year assessment.	7
Data pulled from CERCLIS/CERHELP to support negotiation of: 1) preliminary SCAP/SPMS FY90 targets; 2) preliminary FY90 FTE allocation; and 3) budget projections for FY91 RA projects.	7
Draft FY90 SCAP Manual distributed for review	17
Complete development of mid-year action strategy	24

MANAGER'S SCHEDULE OF SIGNIFICANT EVENTS (Cont'd)

	MARCH
Final FY90 Operating Guidance issued	1
Pull CERCLIS/CERHELP data for: 1) third quarter advice of allowance 2) planning for third quarter removals; and 3) planning for third quarter project support activities.	3
Complete HQ/regional negotiations of: 1) FY89 third and fourth quarter targets and budget 2) FY90 SCAP/SPMS targets; and 3) FY91 outyear budget negotiations.	3
Accomplishments data pulled from CERCLIS/CERHELP and provided for: 1) Superfund Progress Report; 2) AA monthly report; and 3) special program reports.	7
CERCLIS/CERHELP revised to reflect negotiated FY91 RA budget and FY90 preliminary targets and measures	16
Run workload model for preliminary FY90 FTE distribution	17
Third quarter Advice of Allowance request submitted to the Office of Budget	17
Memorandum to regions on preliminary budget, targets and FTEs.	24
QUARTER 3	**APRIL**
Third quarter Advice of Allowance issued	5
Accomplishments data pulled from CERCLIS/CERHELP and: 1) entered into OMSE system for second quarterly review; 2) provided for Superfund Progress Report; 3) AA monthly report; and 4) special program reports.	7
Pull of data from CERCLIS/CERHELP for pro-active memorandum	7
OMSE SPMS data verified (second quarter accomplishments)	10-14
OMSE SPMS system closes (second quarter accomplishments)	14
Regional comments on FY90 SCAP Manual due	17

MANAGER'S SCHEDULE OF SIGNIFICANT EVENTS (Cont'd)

	MAY
Accomplishments data pulled from CERCLIS/CERHELP and provided for: 1) Superfund Progress Report; 2) special program reports; and 3) AA monthly report.	5
FY91 Outyear Budget prepared at HQ	10
Pull of CERCLIS/CERHELP enforcement data for funds to be transferred to DOJ for expert witnesses and litigation support	29
	JUNE
Pull of CERCLIS/CERHELP data for: 1) fourth quarter Advice of Allowance; 2) planning for fourth quarter removals; and 3) planning for fourth quarter project support activities.	2
Final FY90 SCAP Manual	5
Accomplishments data pulled from CERCLIS/CERHELP and provided for: 1) Superfund Progress Report; 2) special program reports; and 3) AA monthly report.	7
Fourth quarter Advice of Allowance request submitted to the Office of Budget	16
Call memorandum and FY90 proposed regional budget sent to the regions for semi-annual planning update	17
QUARTER 4	**JULY**
Fourth quarter Advice of Allowance issued	6
Accomplishments data pulled from CERCLIS/CERHELP and provided for: 1) entry into OMSE SPMS; 2) Superfund Progess Report; 3) special progam reports; and 4) AA monthly report.	10
Data pulled from CERCLIS/CERHELP for pro-active memorandum	10
Data pulled from CERCLIS/CERHELP to support negotiation of: 1) final SCAP/SPMS FY90 targets; 2) first quarter FY90 removals; 3) first quarter FY90 project support activities; 4) final FY90 operating plan; and 5) final FY90 FTE allocation.	10
OMSE SPMS data verified (third quarter accomplishments)	10-14
OMSE SPMS system closes (third quarter accomplishments)	14

MANAGER'S SCHEDULE OF SIGNIFICANT EVENTS (Cont'd)

	AUGUST
Accomplishments data pulled from CERCLIS/CERHELP and provided for: 1) Superfund Progress Report; 2) special program reports; and 3) AA monthly report.	7
Complete negotiations on final FY90 SCAP/SPMS targets and budget	11
Memorandum to regions on final budgets, targets and measures	25
	SEPTEMBER
CERCLIS/CERHELP revised to reflect final budgets, targets and measures	8
Data pulled from CERCLIS/CERHELP for first quarter Advice of Allowance	8
Accomplishments data pulled from CERCLIS and provided for: 1) Superfund Progress Report; 2) special program reports; and 3) AA monthly report	8
FY90 first quarter Advice of Allowance request submitted to the Office of Budget	15
Run workload model for final FY90 FTE distribution	18
QUARTER 1 (FY90)	**OCTOBER**
First quarter Advice of Allowance issued	4
Accomplishment data pulled from CERCLIS/CERHELP and provided for: 1) Superfund Progress Report; 2) special program reports; 3) AA monthly report; 4) pro-active memorandum; 5) entry into OMSE system for FY89 SPMS end-of-year; and 6) FY89 end-of-year assessment.	20
	NOVEMBER
Accomplishment data pulled from CERCLIS/CERHELP and provided for: 1) Superfund Progress Report; 2) AA monthly report; and 3) special program reports.	7
FY90 final targets, including open season changes, set in CERHELP	7
OMSE SPMS verified (fourth quarter FY89)	13-17
OMSE SPMS system closes (fourth quarter FY89)	17

EXECUTIVE SUMMARY

OVERVIEW

The FY89 Superfund Comprehensive Accomplishments Plan (SCAP) Manual presents and discusses the relationships among the major Superfund program management tools. This includes identifying program goals and priorities, translating those program priorities into targets and measures that are planned and tracked through the SCAP and, finally, using the evaluation process to determine whether program goals are being met.

The program management philosophy for FY 1989 emphasizes rapid decision making and a **bias for action**. Program actions need to be directed toward achieving and exceeding program targets where possible. Problems in meeting targets should be confronted and dealt with in a purposeful, problem solving manner. Regions must develop solutions to performance problems as they encounter them, and should strive for a balanced approach to site work, encouraging both potentially responsible parties and states to assume responsibility for response activities. States should be consulted throughout the SCAP planning process as a primary means of ensuring an integrated and coordinated program effort.

PROGRAM GOALS

The central mission of the Superfund Program is to maximize the protection of human health and the environment through fast, effective, and efficient cleanup of priority sites and releases. In order to fulfill this mission, the following overriding goals have been identified:

- Address high priority sites and releases first;
- Make significant progress toward meeting the pre-remedial site inspection completion deadline imposed by the Superfund Amendments and Reauthorization Act (SARA);
- Streamline and reduce costs of conducting remedial investigations/feasibility studies (RI/FS);
- Maximize progress toward the SARA mandated deadlines (e.g., 175 Remedial Action (RA) starts by October 1989 and the additional 200 RA starts by 1991), while ensuring steady funding of those projects that are ready to proceed to construction, and in particular, those projects that are most environmentally significant;
- Encourage potentially responsible party participation in the Superfund program through the timely completion of negotiations and effective use of the settlement authorities in SARA; and
- Pursue cost recovery of Superfund monies expended.

SUPERFUND COMPREHENSIVE ACCOMPLISHMENTS PLAN

The SCAP is the central mechanism for planning, tracking and evaluating Superfund program activities. Because of its program-wide importance, SCAP has a dynamic, interdependent relationship with other Agency planning and management systems, including:

- Agency Operating Guidance;
- Superfund Budget;
- Strategic Planning and Management System (SPMS);

- Superfund Progress Report (SPR);
- Superfund Workload Models; and
- State Memoranda of Agreements (SMOAs).

Priority activities and programmatic guidance are used to guide the development of the SCAP. Planning reflects current goals under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA), the National Contingency Plan (NCP), and the FY89 Agency Operating Guidance.

SCAP CHANGES FY88-FY89

Significant progress was made at the May 1988 SCAP Workshop to simplify planning procedures and to reduce the number of SCAP targeted activities. Overall, the number of SCAP target categories has been reduced from more than 150 to fewer than 50. In addition, the formal quarterly procedures for negotiating SCAP plans have been replaced by a semi-annual process. Reduction in the number of targeted activities will significantly reduce the need for Headquarters/regional interface. As long as commitments are met, regions will have greater flexibility in adjusting plans to meet unexpected events. The reduction in targets will also help expedite the semi-annual negotiations process.

Regions must recognize, however, that the reduction in targeted events and the semi-annual negotiating cycle does not preclude the need for complete and timely data reporting. Regions should not interpret the reduction in SCAP targets as a reduction in reporting requirements. In addition, semi-annual formal negotiations should not be interpreted as an impetus for lengthening the time between planning updates. Regular planning updates will continue to be necessary to support such activities as Advice of Allowance (AOA) issuance and Superfund progress reporting. (See the Manager's Schedule of Significant Events at the beginning of this manual.)

NATIONAL INFORMATION NEEDS

Although the major focus of this manual is the SCAP process and its planning and reporting requirements, it must be recognized that Superfund program management requires information beyond SCAP-specific reporting. Senior management must be kept current on all aspects of progress at the regional level. Program offices require specific program information to adequately manage segments of the Superfund process. Growing public concerns related to hazardous waste management require timely and extensive data reporting. Information beyond SCAP-specific data will continue to play a critical role in managing and reporting progress of the Superfund program. Beginning in FY89, on a monthly basis the national program office will pull data from the Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) on a selected number of key indicators of progress in the Superfund program (i.e., removal starts and completions, pre-remedial accomplishments, RODs, RDs, RAs, 175 RA, etc). These numbers will be the official numbers used for the Superfund Progress Report, and any reports of progress given to the Administrator, Assistant Administrator, Congress and the news media.

SCAP/CERCLIS RELATIONSHIP

The SCAP represents the management process used to set performance targets, report significant accomplishments and allocate resources. CERCLIS is the information system used to develop the SCAP. (Exhibit ES-1 indicates the major Headquarters/regional SCAP/CERCLIS responsibilities.)

EXHIBIT ES-1

REGIONAL RESPONSIBILITIES	HEADQUARTERS RESPONSIBILITIES
Planning and scheduling all events and enforcement activities	Determining the Advice of Allowance (AOA) based on regions input of SCAP planned activities and assuring that regional budgets are balanced
Updating CERCLIS on a regular basis to report accomplishments, changes in planning data or adjustments in approved plans	Responding to regional requests for changes through the change request and amendment process
Updating CERHELP to reflect accomplishments and target site substitutions	Entering negotiated targets and measures and site back-up in CERHELP
Reconciling CERCLIS financial data with data automatically transferred from FMS	Updating CERHELP to reflect approved target changes
CERCLIS data maintenance	Entering and maintaining data on AOA through the CERHELP data base
CERCLIS data integrity (QA/QC)	

Only data as recorded in CERCLIS will be recognized by Headquarters for SCAP tracking, planning and evaluation purposes. This includes information used for budget formulation, the workload model, setting of annual and quarterly targets and other national information needs. **No monies will be issued to the regions through the Advice of Allowance process unless the appropriate obligation and commitment data are reflected in CERCLIS.**

REMEDIAL RESPONSE OUTYEAR PLANNING

When a site is proposed as a candidate for a RI/FS start, regions must submit a schedule for the core remedial activities (RI/FS, Remedial Design (RD), Remedial Action (RA) and RA start post-SARA) and core enforcement activities (PRP search, RI/FS negotiation, and RD/RA negotiations). Where better data are not available, regions should use the standard timelines provided in the manual. As better information on project schedules becomes available, regions should update their SCAP data in CERCLIS. Keeping the data current in CERCLIS is a continuous process that is particularly important for outyear budget planning, the workload model, regional evaluation, and SCAP/SPMS target setting.

THE BUDGET PROCESS

The budget planning process begins a year and a half prior to the start of the fiscal year. In February 1989, regions will begin planning for major remedial dollar expenditures, as well as expenditures for key enforcement actions, in FY91. To project the FY91 budget, regions must review core activity schedules for projects expected to begin in FY91. Since Fund-financed RAs play such a major role in the Superfund budget, it is crucial that these projects are identified and reasonable cost estimates derived using the draft Feasibility Study (FS), the Record of Decision (ROD) or Cost Of Remedial Action (CORA) Model estimates.

FY89 BUDGET

The Superfund budget for FY89 contains cuts from the levels the Agency requested. As a result, each region was given a preliminary budget by program area. The majority of the regional remedial budgets were established based on the RI/FS full funding initiative and the RA budget reduction strategy. In FY89 the implementation of the RI/FS full funding initiative resulted in full funding for all ongoing RI/FS that will result in a remedial action in FY90 or FY91. The remaining ongoing projects in FY89 were incrementally funded to the amount needed to keep them going through the year. In addition, all new RI/FS starts in FY89 were funded at least $500,000. The national goal for these RI/FS is an average cost of $750,000 per project and $1,100,000 per site. Regions are responsible for managing their RI/FS projects within the fixed budget established during negotiations.

The FY89 budget strategy for remedial actions is to fund these projects as they are ready to proceed. This strategy will be re-evaluated during the mid-year negotiations and may result in adjustments in funding between regions.

Regional activities must fall within the final negotiated budget levels. **The regional Advice of Allowance will not be issued unless the approved planned obligations, commitments and actual obligations are within the annual budget and the RI/FS data are within the established ceiling.**

SCAP FINANCIAL PLANNING AND THE REGIONAL ADVICE OF ALLOWANCE

The SCAP financial planning process is the mechanism which drives the quarterly AOA issued by the Office of the Comptroller. The process for issuing the AOA begins four weeks prior to the start of each quarter when planned site and non-site specific obligation data are pulled from CERCLIS and reviewed by Headquarters. Using this information, the official AOA request is prepared and sent to the Assistant Administrator for review and approval. The final step in the process is the issuance of the AOA to the regions by the Office of the Comptroller at the beginning of the quarter.

OERR and the Office of the Comptroller are continuing to discuss the Advice of Allowance structure. Regions will be informed if a change in allowances will be implemented. Currently, the allowance structure will not be changed from FY88 and the Office of the Comptroller will issue the following five allowances to the regions:

- RA (site specific);
- RD (site specific);
- Other Remedial;
- Removal; and
- Enforcement.

The other remedial allowance includes RI/FS and site specific and non-site specific program and project support activities and oversight of Potentially Responsible Party (PRP) RD and RA projects. When the other remedial allowance is issued, a ceiling will be placed on the funds that can be obligated for new or ongoing RI/FS projects. This ceiling cannot be raised without HQ approval. Regions have the flexibility to move funds within the other remedial AOA and RI/FS ceiling.

FOCUS OF THE SCAP PROCESS THROUGH THE YEAR

Current fiscal year planning information must be updated regularly by the regions through CERCLIS, especially since this information is used by HQ to issue the quarterly regional Advice of Allowance. Routine changes in planning information, i.e., those that do not require a target or budget change, can be made by the region without HQ involvement. In recognition of this, the cycle for formal negotiations with HQ has been reduced to twice a year. During these formal negotiation time periods, current year issues and problems will be discussed, as well as schedules and budgets for future fiscal years. States should be consulted prior to negotiations to ensure an integrated and coordinated EPA and state effort. The focus of regional responsibilities during the formal SCAP update/negotiation periods are outlined in Exhibit ES-2.

As part of the mid-year assessment HQ will closely evaluate the status of the remedial actions scheduled to begin during FY89. The evaluation will focus on those remedial actions scheduled to begin in the third and fourth quarters and the funding levels required. Based on the results, the remedial action funding strategy may be revised and adjustments may be made within and between regional remedial action budgets. The fourth quarter SCAP update is the most important planning event of the year. This update will yield final SPMS targets and will set each region's annual budget for the upcoming year. In addition, commitments made during this update will be the basis of final regional FTE distribution.

EXHIBIT ES-2

SCAP PLANNING YEAR

SECOND QUARTER (FEBRUARY 1989)

- Update and negotiate planning information in CERCLIS for the third and fourth quarter FY89
- Review slippage in FY89 targets for development of action strategies
- Reassess the remedial action funding strategy
- Negotiate preliminary SCAP/SPMS targets and measures for FY90 with HQ and the regions
- Determine preliminary FY90 FTE allocations based on the preliminary targets and measures
- Provide complete site schedules including planned RA obligations to allow HQ to project the outyear budget (FY91)

FOURTH QUARTER (JULY 1989)

- Establish final SCAP/SPMS commitments for FY90
- Finalize resources for FY90
- Set FY90 annual regional budget

ACCOMPLISHMENT REPORTING

Data on accomplishments will be pulled from CERCLIS by Headquarters on the fifth working day of each month.

Monthly data will be used in reports to the Assistant Administrator, Congress, the public, etc., on the progress of the Superfund program. This is also the information that will be used for calls to the Regional Administrators regarding progress on the key indicators tracked in the Assistant Administrator's pro-active memorandum. Formal accomplishment reporting for SPMS and SCAP purposes will be pulled on the fifth working day of each quarter. This information will be used to evaluate regional progress toward meeting SCAP and SPMS targets and submitted to the Office of Management Systems and Evaluation (OMSE) for reporting SPMS accomplishments.

The major regional responsibilities during the accomplishment reporting phase are shown in Exhibit ES-3.

EXHIBIT ES-3

ACCOMPLISHMENT REPORTING PHASE REGIONAL RESPONSIBILITIES

- Reconcile financial data in CERCLIS with data transferred from FMS
- Ensure accomplishment information in CERCLIS is current
- Perform QA/QC procedures on SCAP and SPMS data in CERCLIS

SCAP/SPMS AMENDMENTS AND ADJUSTMENTS

SCAP incorporates flexibility into the planning process through the adjustments and amendments mechanism which allows the regions to change their plans during the year. Amendments are changes to the SCAP which meet the conditions shown in Exhibit ES-4.

EXHIBIT ES-4

AMENDMENT CONDITIONS

- Change a quarterly or annual SPMS or SCAP target
- Increase the region's annual budget
- Change an Advice of Allowance or increase the RI/FS ceiling in the other remedial Advice of Allowance

Adjustments are any other changes to the SCAP during the fiscal year. Regions may adjust their SCAP plans without Headquarters approval. SCAP amendments must be approved by the OSWER Officer Director. SPMS amendments must be approved by the AA SWER.

Regions are responsible for maintaining the CERHELP Targets and Accomplishments file to reflect SCAP adjustments. Regions will not be allowed to add or delete sites from this file, only changes will be allowed. However, the site-specific CERCLIS records should be updated when a SCAP or SPMS amendment is requested.

PROGRAM MANAGEMENT AND ASSESSMENT

The Superfund program management and assessment strategy has four components as shown in Exhibit ES-5.

EXHIBIT ES-5

MANAGEMENT/ASSESSMENT STRATEGY

- Assistant Administrator monthly progress reviews
- Quarterly reviews with mid-year and end-of-year assessment and the development of action strategies for slipping targets
- OSWER reviews, which include regional self-evaluations and on-site review
- Special studies

Together these components give program managers regular opportunities to initiate changes in program operations, examine program accomplishments, raise issues that have an impact on performance, and reallocate resources or provide technical assistance to influence objectives.

Regional and HQ responsibilities for implementing and conducting the program evaluation strategy process are shown in Exhibit ES-6.

EXHIBIT ES-6

IMPLEMENTATION RESPONSIBILITIES

REGIONAL RESPONSIBILITIES

Meet quarterly SCAP and SPMS targets and solve performance problems when they arise.

Provide quarterly SCAP and SPMS data to HQ through CERCLIS.

Maintain CERCLIS data quality at high levels for Superfund program and project management.

Prepare Self-Evaluations and participate in OSWER On-Site Reviews.

Provide input to the development of qualitative measures for Self-Evaluations.

Negotiate performance standards that provide individual accountability for quarterly targets.

Develop action strategy to recoup slipping targets.

HEADQUARTERS RESPONSIBILITIES

Provide guidance to the regions for preparing the quarterly review, and the OSWER On-Site Review.

Review regional Self-Evaluation and participate in OSWER On-Site Reviews.

Review quarterly data reported by the regions.

Negotiate action strategies with regions for recouping slipping targets.

Recommend resource re-allocations based on regional needs and performance.

Implement and report on follow-up action items from the OSWER On-Site Review, Superfund quarterly reviews and mid-year assessment and track regional implementation.

Assure that all staff are informed of the results of quarterly reporting and OSWER reviews.

In summary, the FY89 SCAP Manual encompasses many new or revised program management policies, processes and procedures. In order to acquire a more in-depth understanding, the manual itself should be read.

CHAPTER I - INTRODUCTION

OVERVIEW

FY89 is a vital year for the Superfund program. By October 1989, the Environmental Protection Agency (EPA) will be three years into the five year Superfund Amendments and Reauthorization Act (SARA) and will be facing the statutory deadline for commencement of 175 remedial action (RA) starts and the 275 Remedial Investigation/Feasibility Study (RI/FS) starts. In addition, the pipeline for meeting the subsequent 1991 deadline for starting another 200 RAs must be well underway. Regions will need to use the wide range of settlement authorities provided by SARA to compel Potentially Responsible Party (PRP) response. Where this is not achieved, prompt cost recovery actions should be initiated. Removals will need to be undertaken for "classic emergencies" first and then for time-critical removals at National Priorities List (NPL) sites where the removal will lead to deletion. Furthermore, SARA mandates that the Agency perform all site inspections (SIs), by January 1989, where preliminary assessments (PAs) have shown that they are warranted. While this goal will not be attained, the Agency must continue to work steadily towards accomplishing high priority SIs in a timely manner. In addition, Superfund must implement the revised Hazard Ranking System (HRS) during this time.

To meet these statutory deadlines and program priorities, the program management philosophy for FY 1989 must emphasize rapid decision making and a **bias for action**. Program actions need to be directed towards achieving and exceeding program targets. Problems in meeting targets should be confronted and dealt with in a purposeful, problem solving manner. Regions must use their initiative and develop solutions to performance problems as they are encountered.

Take Action

Regions should concentrate resources on projects where progress can be made toward meeting the statutory and program goals, shifting them as necessary from lower priority projects. Wherever possible, regions should attempt to streamline the RI/FS process and avoid producing unnecessarily detailed analyses. There are no "perfect" remedies, and site conditions can deteriorate while searching for such a remedy or striving for unanimity. Regions should try to maximize PRP settlements and encourage states to take the lead responsibility for response activities at sites as a means of extending Agency capabilities.

Make Decisions that Lead to Targeted Accomplishments

The key to meeting program targets is to make decisions. Often in this program there are difficult problems for which there are no easy answers. Decisions may be unpopular or difficult to make. Nevertheless, the need to progress toward program goals means that these decisions must be made. In spite of the complexity of the remedial and enforcement processes, the statutory mandates under which the Agency operates, and the desire for consensus, necessary decisions must be made so that the projects can move forward.

Headquarters/Regional Partnership

The regions alone cannot implement the strategy outlined in this guidance. The strategy is a Headquarters/regional partnership. In order to facilitate the achievement of performance goals, Headquarters (HQ) is prepared to:

- Focus added resources on regions that are meeting their targets and can help make up national shortfalls; and

- Provide assistance and focus attention on regions that are having problems achieving their performance targets.

The demand for rapid action must be coordinated with other program requirements. HQ will help to prioritize competing demands. Similarly, HQ will assist the regions in making tough decisions and will support them in the choices that are made.

SUPERFUND COMPREHENSIVE ACCOMPLISHMENTS PLAN

The Superfund Comprehensive Accomplishments Plan (SCAP) process is used by the Superfund program to plan, budget, track, and evaluate progress toward Superfund site cleanup. The SCAP planning process is a dynamic, ongoing effort that has a significant impact on Superfund resource allocation and program evaluation. Planned obligations and Strategic Planning and Management System (SPMS) targets and measures are generated through SCAP and influence the Superfund budget and evaluation process. SCAP planning is a day-to-day responsibility of the regions. A semi-annual process has been established through which HQ and regions formally negotiate plans for the future. The Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) serves as the conduit for the SCAP process. CERCLIS provides both HQ and regions with direct access to the same data. Reports can be produced allowing for daily, interactive updates of planning and site cleanup progress information.

Background

The SCAP process is crucial to Superfund program planning, tracking, and evaluation. As the Superfund program's central planning mechanism, it is interrelated with all Agency and Superfund program specific planning and management systems, such as the Agency Operating Guidance, the Superfund budget, SPMS, and the Superfund workload models. The Agency Operating Guidance defines Superfund goals for the upcoming year. SCAP targets/measures are designed to reflect the Agency Operating Guidance. In some cases, new SCAP categories are developed, or the projections for SCAP activities are adjusted to match the Agency's goals.

Most of the Superfund program's budget is based on the SCAP. The budget is developed 18 months prior to the fiscal year being planned. For example, the SCAP existing at the start of the third quarter of FY89 will be used to formulate the FY91 budget. The site schedules reflected in the SCAP serve as the foundation for determining outyear budget priorities, such as the dollar levels to be requested in the budget and the total level of full-time equivalents (FTEs) to be made available for distribution through the workload model. Because dollars for Fund-financed RAs and remedial designs (RDs) dominate Superfund's budget, it is critical that the SCAP identify RD and RA candidates and projected funding needs.

The Superfund budget provides the basis for the Agency Operating Plan. The Operating Plan, which is finalized prior to the fiscal year, establishes the funds available to the regions for performing Superfund work.

SPMS is used by EPA to set and monitor the environmental objectives identified in the Agency's Operating Guidance for a fiscal year. National and regional SPMS goals for Superfund are established and tracked through SCAP. SPMS targets are a subset of those contained in SCAP. SPMS targets and measures are reported quarterly by HQ and the regions to the Office of Management Systems and Evaluation (OMSE). OMSE tracks regional progress toward SPMS goals on a quarterly basis as part of the overall Agency performance evaluation process.

The Superfund workload models distribute FTEs for each program and region. There are two Superfund program models, the Site and Spill Response model, which distributes resources for the pre-remedial, remedial and the removal programs, and the Technical Enforcement model which distributes enforcement FTEs. SCAP plans form the basis for the workload models. The preliminary and final distribution of regional and program resources for the upcoming fiscal year is based on the planning information contained in SCAP as of the beginning of March and the beginning of August, respectively.

The Superfund Progress Report (SPR) is a monthly report of Superfund program accomplishments to date. SPR information is very similar to and in many cases overlaps with SCAP information. However, it focuses on site rather than project accomplishments. The SPR is used to provide information to the press, the public and Congress. It is important that regions keep CERCLIS data current to ensure that SPR data are current and timely.

SCAP Changes Between FY88 and FY89

Significant progress was made at the May 1988 SCAP workshop to simplify planning procedures and reduce the number of SCAP targets. Overall, the number of SCAP target activities has been reduced from more than 150 to less than 50. Chapter IV outlines the targets and measures for FY89. In addition to the changes in targets and measures, many of the definitions for these activities have been revised. This is also a result of the May SCAP workshop and the SPMS measures development work done during the creation of the FY89 Agency Operating Guidance.

In the effort to simplify the SCAP planning procedures, a semi-annual process for negotiating future site-specific activities has been established in FY89. During the second quarter, HQ and the regions will negotiate the revised SCAP for FY89 and develop preliminary targets and resources for FY90. During the fourth quarter, these FY90 targets and resources will be finalized.

During the second quarter negotiation cycle, HQ and the regions will perform a mid-year assessment of the progress being made toward meeting SCAP/SPMS targets. Action strategies to recoup slipping targets will be developed and resources for the remainder of the year may be reallocated.

SCAP/CERCLIS Relationships

CERCLIS is the data base that is used by HQ and regional personnel for Superfund site, program and project management. CERCLIS contains the official inventory of Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) sites and supports current site planning and tracking functions. In CERCLIS, financial data are integrated with data from the pre-remedial, remedial, removal and enforcement programs. Pre-remedial, remedial and removal activities are called "events" in CERCLIS. Enforcement actions are called "activities". SCAP information is a subset of the site data collected through CERCLIS. Data entry responsibilities and report retrieval abilities are at the regional level so that regional managers and users play a central role in maintaining and using the data base. HQ relies on CERCLIS as the sole repository of information on plans and accomplishments.

CERCLIS consists of two data bases: a site-specific data base, CERCLIS, and a non-site specific data base, CERHELP. The site specific data base contains site, operable unit (OU), event, enforcement activity, technical and financial information. Each week financial data from the agency-wide Financial Management System (FMS) are transferred into CERCLIS. The data transferred include such information as commitments, decommitments, obligations, deobligations, outlays, credits, transaction date, obligating document number and funding vehicle.

CERHELP contains information such as SCAP/SPMS targets and accomplishments, Advice of Allowance (AOA), budget, and information on non-site specific activity. The CERHELP data base consists of the following separate files:

- The Targets and Accomplishments System is the data file used for setting and tracking SCAP/SPMS targets and measures. Preliminary and final regional SCAP/SPMS commitments are entered into the system by the HQ SCAP Coordinator. Target data are updated by the region to reflect SCAP adjustments and by HQ to reflect approved amendments. Regional reporting of non-site specific accomplishments is also performed through this system. Data from this system are used in all "official" SCAP Targets and Accomplishment Reports and are the baseline for regional evaluation.

- The AOA file is used by HQ for SCAP budget development and control and for tracking and reporting the AOA process.

- Planning and tracking of non-site/incident activities and financial data are accomplished through the Non-Site/Incident Activity system. Regions are responsible for entering and maintaining SCAP non-site specific information.

Using CERHELP, regions will be able to track planning data and reconcile the site specific planning in CERCLIS with the AOA and SCAP/SPMS targets. It serves as an important management tool for regions and HQ.

Additional information including regional responsibilities for CERCLIS and CERHELP can be found in the CERCLIS Users Reference Manual.

SCAP CHANGE CONTROL PROCEDURES

Stability in the SCAP through the year is essential to the success of SCAP planning and accomplishment reporting/evaluation procedures. As a result, the following procedures will be implemented in FY89 to control changes to the SCAP:

- Changes (including additions or deletions) to the SCAP targets, measures, definitions, methodologies or processes must be presented by the Office Director for the program office proposing the change;

- All proposed changes must be sent to the regions and all other program offices for review and comment prior to implementation;

- The decision on whether to proceed with the proposed change must be documented in writing. If the proposed change will be implemented, an addendum to the SCAP Manual will be published.

USES OF THE MANUAL

The FY89 SCAP Manual has been expanded to include information and guidelines for regional staff on Superfund program goals and priorities, the development of planning data, Superfund financial management, the tracking of accomplishments and the evaluation of regional progress toward meeting program goals. The FY89 SCAP planning and evaluation process is supported by the information contained in this manual. Users of the manual must also refer to the CERCLIS User Reference Notebook for specific guidance on SCAP data coding, entry, maintenance and generation of SCAP reports.

STRUCTURE OF THE MANUAL

The FY89 manual consists of two volumes. The remainder of Volume I contains information on:

- Program priorities and goals;
- National information needs;
- SCAP targets and measures;
- SCAP planning process and procedures;
- Financial planning and management; and
- Evaluations.

Volume II includes the following Appendices:

- Appendix A presents the methodologies used to derive the FY90 preliminary targets and measures;
- Appendix B discusses the applicability of the Freedom of Information Act (FOIA) to SCAP;
- Appendix C provides a crosswalk displaying the relationship between CERCLIS Enforcement activities, remedies and events and their corresponding codes;
- Appendix D is divided into two sections. Section 1 provides technical definitions for the SCAP/SPMS targets and measures and Section 2 provides definitions for other planning activities. A brief description of the planning processes associated with each definition is included; and
- Appendix E is a compilation of CERCLIS select logic flow charts.

CHAPTER II - PROGRAM GOALS AND EXPECTATIONS

PROGRAM GOALS

The central mission of the Superfund Program is to maximize the protection of human health and the environment through fast, effective, and efficient cleanup of high priority sites and releases. In order to fulfill this mission, six overriding goals have been identified:

- Address high priority sites and releases first;
- Implement effective remedies -- those removal and RAs that:
  - Mitigate the threat to public health and environment for a particular pathway;
  - Can be implemented within budget, political, and public constraints; and
  - Typically require a technical remedy, which may be supplemented by institutional controls.
- Achieve efficient implementation of all Program activities;
- Pursue enforcement actions;
- Increase the role of others (PRPs and States); and
- Achieve a well managed Superfund.

In reauthorizing the Superfund program, Congress identified a number of specific numeric and qualitative goals. These mandates will have a significant impact on the FY89 planning and program priorities. Exhibits II-1 and II-2 on the following page provide the major Superfund goals as identified by Congress.

In keeping with the bias for action and these goals, each program office in HQ has identified a series of individual goals for FY89. These goals have been translated into a set of performance expectations through the SCAP and SPMS process.

PRE-REMEDIAL PROGRAM

The goals of the pre-remedial program for FY89 come from the completion goals imposed by SARA . While the Agency has already met the PA deadline it is likely that the SI goal will not be met. However, the program must continue to make steady progress toward this goal, concentrating resources wherever SIs are needed to carry the program forward. The pre-remedial program has established the following additional goals for FY89:

- Implement the Environmental Priorities Initiative;
- Conduct PAs for all sites within 1 year of their placement in CERCLIS;
- Review SIs and NPL listings for Federal Facilities; and
- Ensure a smooth transition to the revised HRS.

REMEDIAL PROGRAM

The top priority in the remedial program is to balance work at sites with the most serious environmental or health threats against the SARA mandated deadline of 175 RA starts by October 1989 and the additional 200 RA starts by 1991. As a result, the funding priorities for the remedial program focus on the construction pipeline and remedial action projects will be funded as they are ready to proceed. This approach will be re-examined at mid-year to determine whether environmentally significant sites will not be funded due to the timing of the remedial action start at that site and the budget constraints. Despite the funding constraints, regional progress toward the SARA mandated RA start goal will continue to be monitored and schedules are expected to be met.

A goal shared by the remedial and enforcement programs is to maximize the number of PRP-lead RDs and RAs. This is especially important as budget constraints in FY89 have led to a reduction in the total funds available for RA projects. Planned obligations for Fund-financed RDs and RAs can be used for oversight of PRP-lead activities.

During the past three years, the costs associated with RI/FS at operable units and whole sites have almost doubled. One of the reasons cited for the escalating costs is the incremental funding of RI/FS. FY89 marks the second year of a three-year initiative to ensure that no RI/FS projects are incrementally funded. The national goal for new RI/FS started in FY89 is an average cost of $750,000 per project and $1,100,000 per site. Some projects may obviously cost less and some may cost more. Regions are expected to manage the size, scope and duration of their projects to ensure that this goal can be achieved.

EXHIBIT II-1

SCHEDULE FOR ACHIEVEMENT OF SARA GOALS

SECTION	GOAL	DATE
SARA 116 (a)(1)	To the maximum extent practicable, (MEP) EPA shall have conducted Preliminary Assessments at all sites on CERCLIS at the time of enactment of SARA.	1/1/88
SARA 116 (a)(2)	To the MEP, EPA shall have performed Site Investigations where PAs have shown they were warranted.	1/1/89
SARA 116 (b)	All sites on CERCLIS at the time of enactment of SARA will be evaluated for inclusion on the NPL.	10/90
SARA 116 (d)(1)	EPA will commence at least 275 Remedial Investigations/ Feasibility Studies. OR	10/89
	EPA will commence 450 RI/FS and an additional 200 RI/FS.	10/90 10/91
SARA 116 (e)(1)	EPA will commence 175 Remedial Actions.	10/89
SARA 116 (e)(2)	EPA will commence 200 additional Remedial Actions.	10/91

EXHIBIT II-2

QUALITATIVE LEGISLATIVE AND REGULATORY GOALS

SECTION	GOAL
SARA 121(a)	To the extent practicable, Remedial Actions shall be in accordance with the NCP and shall be cost effective remedies.
SARA 121 (b)	A preference shall be given to remedies that include, as their principal element, treatment that permanently and significantly reduces the volume, toxicity, or mobility of hazardous substances, pollutants, and contaminants. RAs should be protective of human health and environment, cost effective, and utilize permanent solutions and alternative treatment technologies or resource recovery technologies to the maximum extent practicable.
SARA 121 (d)	Applicable or relevant and appropriate Federal standards and more stringent State standards must be attained in CERCLA cleanups.
SARA 118	High priority for remedial action shall be given to sites at which the drinking water supply has been contaminated.
CERCLA 104 (a)	Primary attention in response actions should be given to public health threats.
NCP 300.61 (c)	In determining the need for and in planning or undertaking Fund financed action, the lead agency shall engage in prompt response, encourage state participation in response actions, conserve Fund monies by encouraging private party cleanups, be sensitive to local community concerns, rely on established technology, but also consider alternative...technology, involve the RRT...at appropriate stages, encourage involvement...by industry and other experts, and encourage involvement of organizations to coordinate responsible party actions, foster site cleanup, and provide technical advice to the public.

REMOVAL PROGRAM

In FY89, the key goal of the removal program is to ensure that resources are available for time-critical removals and not diverted to less critical removal actions. Regions should prioritize time-critical removals in the following order:

- Classic emergencies;
- Time-critical removals at NPL sites; and
- Time-critical removals at non-NPL sites posing major environmental and public health threats that can not be addressed by other authorities.

Non-time-critical removals should be undertaken only as resources allow. Non-time-critical removals at NPL sites should be planned and budgeted site-specifically. For all non-time-critical removals, regions should involve states and responsible parties to the maximum extent practicable. Enforcement authorities should be tapped to reduce the drain on the removal budget.

ENFORCEMENT PROGRAM

The following Enforcement program priorities should be considered in FY89:

- Initiating and completing potentially responsible party (PRP) searches earlier and making them more comprehensive in order to promote more PRP participation in removals and RI/FS, as well as RD/RA, and to assure effective cost recovery;

- Developing Administrative Records for removal and remedial activities;

- Referring cost recovery cases, especially where RAs have begun, where removals (greater than $200K) have been completed, and RI/FS which have been completed where the statute of limitations is a factor;

- Initiating and setting deadlines for concluding RD/RA negotiations including sending out special notice letters in a timely fashion;

- Encourage state enforcement activities;

- Making effective use of SARA settlement authorities (e.g., mixed funding, and de minimis authorities) to maximize PRP lead RD and RA starts; and

- Referring Section 106 actions without settlement for RD/RAs, particularly where RA funds are not available through SCAP (i.e., PRP activity sites).

STATE ENFORCEMENT

A major goal of the enforcement program is to encourage state enforcement activity, that is, to encourage the states to issue enforcement orders and enter into agreements for PRPs to conduct cleanups. An additional goal is to have these state-lead enforcement sites count toward the 175 RA starts mandated by SARA. States are encouraged to enter into either a cooperative agreement or other formal agreement for state action with EPA.

Four criteria have been proposed for state-lead enforcement sites to count toward the 175 RA starts:

- The site is on the final or proposed NPL list;
- Cleanup is considered consistent with the basic requirements of Section 121;
- An enforceable agreement exists between the state and the PRPs; and
- The state certifies that substantial and continuous physical on-site work is being conducted by the PRPs.

FEDERAL FACILITIES PROGRAM

As required by Section 120 of SARA, the Federal Agency Hazardous Waste Compliance Docket was established in FY88, and is the basis for Federal Facility remedial activities. At twice yearly intervals, a listing of Federal Facilities submitted to the docket during the immediately preceding six month period will be published in the Federal Register. The Federal Facilities Task Force is also working on incorporating the Federal Agency Hazardous Waste Compliance Docket into CERCLIS.

EPA responsibilities for Federal Facilities include reviewing PAs and SIs submitted by the Federal agency and determining their adequacy. The anticipated approach to NPL listing will be for the Federal Facility to prepare the technical reports and organize an index for relevant HRS data. EPA, through the Field Investigation Team (FIT) contractors, will prepare Federal Facility HRS packages in FY89. For sites on the NPL, EPA is responsible for reviewing, awarding and providing oversight of Technical Assistance Grants. Comprehensive guidance for EPA involvement in Federal Facility activities in FY89 will be developed once the status of docket submittals and the associated workload is accurately determined. Currently, the regional effort will be to coordinate activities, carefully QA/QC the final HRS package, and resolve any outstanding issues.

Not later than six months after the inclusion of any Federal Facility on the NPL, the Federal agency responsible for the site, after consultation with EPA and the state, will commence work on an RI/FS. A timetable and deadlines for expeditious completion of the RI/FS will be published by EPA or the appropriate state authorities.

Within six months of completing the RI/FS, EPA will enter into an IAG with the responsible Federal agency which requires the expeditious completion of all necessary remedial action at the listed facility. Commencement of remedial action will take place no later than 15 months after the completion of the RI/FS.

Entering into enforceable agreements, preferably Section 120 IAGs, is one of the primary goals of the Federal Facility enforcement program. The Task Force has recently entered into national model agreements with DOD and DOE which should facilitate site-specific negotiations. In the absence of an IAG, regions should consider alternative enforcement strategies such as issuing Section 106 orders, Section 3008(h) orders, orders to government owned/contractor operated facilities and publishing enforceable timetables and deadlines for remedial activity.

CHEMICAL EMERGENCY PREPAREDNESS AND PREVENTION PROGRAM

The main goal of the Chemical Emergency Preparedness and Prevention Program (CEPP) is to prevent and prepare for chemical accidents. The program's authorities are CERCLA and the Emergency Planning and Community Right-to-Know Act of 1986, also know as Title III of SARA. CEPP's FY89 SPMS measures focus on key activities to meet the above goal. These include:

- State Implementation Memoranda (SIMs) which are joint agreements between the regions and the states which lay out their fundamental roles in implementing the program and describe joint activities for each fiscal year;
- EPA-assistance or training in chemical emergency preparedness, prevention or community right-to-know;
- EPA-assistance with emergency simulations; and
- Accidental Release Information Program measures aimed at gathering and analyzing information on accidental releases and prevention methods and chemical safety process audits.

While the statutory deadline for completion of contingency plans under Title III is October 17, 1988, (first quarter FY89), it is expected that not all 3,800 plans will be entirely complete by this date. Further, plans must be reviewed, revised, and updated at least annually. Regional Response Teams (RRTs) may also review plans.

Earthquake and National Security Emergency Preparedness Programs

The plan for Federal response to a catastrophic earthquake was mandated by the Earthquake Hazards Reduction Act. The plan, which is being developed by 25 Federal departments and agencies and is coordinated by the Federal Emergency Management Agency (FEMA), is an effort to improve Federal, state, and local preparedness and response to a catastrophic earthquake. EPA's responsibility in plan development is to act as the primary agency for Emergency Support Function (ESF) #10 -- "Hazardous Materials", and as a support agency to other ESFs. Each EPA region which has a high-risk, high population area for a catastrophic earthquake within its boundaries must develop a risk-area specific, hazardous materials annex to the multi-agency regional response plan which operationally identifies how the agency and its support agencies would respond to multiple hazardous material incidents, including radiological incidents, during a catastrophic earthquake. In regions containing more than one catastrophic risk area, risk-area specific sub-plans are necessitated. Each region shall also participate in earthquake exercises, simulations, workshops, planning sessions and other similar earthquake preparedness activities.

The purpose of the National Security Emergency Preparedness Program is to ensure the performance of essential functions of the agency in the event of a national security emergency. EPA's responsibilities are outlined in Executive Order 11490 and related directives. Each region is required to establish and maintain a designated team of personnel for such events; participate in EPA, FEMA or other agency sponsored planning sessions, workshops, training and exercises; and assist in preparing program support materials.

CHAPTER III - NATIONAL INFORMATION NEEDS

The focus of this chapter will be the major recurring Superfund information needs and the related regional CERCLIS data entry requirements supporting those needs. It will identify and explain management's individual data needs, such as: quarterly SCAP accomplishment reporting; semi-annual SCAP and budget planning; the monthly SPR; monthly progress reporting on the "175"; and preparation of senior management briefings. It will also list specific data elements needed to support each of these activities. In the past the primary use of CERCLIS has been in support of budget and SCAP planning, SPMS reporting, and the allocation of resources. In the future the Agency will continue all of these activities and will be increasing the use of CERCLIS as a tool for ongoing program management. This will mean that actual site and incident status data must be entered more frequently than was previously necessary. While it is strongly recommended that actual accomplishment and current planning data both be updated as an action occurs (on a real-time basis), other non-recurring information requests, such as FOIAs, will be taken from data required for other program management purposes.

Although this chapter is still under development, several specific requirements that must be met on a continuing basis have been identified. These requirements include:

- AA Monthly Briefing - Information on ROD, RD and RA events as well as Section 107 referrals, consent decrees and RD/RA negotiations.
- 175 RA Start Tracking - All relevant information regarding the start of RA, ROD and RD events, including dates and indicators, must be updated monthly in CERCLIS.
- RTS Report - The Removal program will be publishing a widely distributed monthly report. Removal event dates, descriptive text, and technical qualifiers will have to be kept current to support this effort.
- SPR - The public SPR will necessitate a monthly update of event dates and flags used in the report.

CHAPTER IV - TARGETS AND MEASURES

ROLE OF SCAP

SCAP and SPMS targets are the key device by which program goals are translated into quantifiable program achievements. Specific targets are negotiated by HQ and the regions and regions commit themselves to achieving these goals. SCAP and SPMS targets therefore play a central role in achieving program goals and should not be seen as only a method for allocating resources. They identify performance expectations for the regions, and regions are expected to concentrate their resources on achieving these targets.

SCAP/SPMS TARGETS AND MEASURES

A SCAP or SPMS target (either quarterly or annual) is a pre-determined numerical goal that is established prior to the fiscal year the designated activities will take place. All SPMS targets are SCAP targets. An example of a SCAP and SPMS targeted activity is a first RI/FS start. Annual budgets and resources are allocated based on SPMS and SCAP targets. In addition, regions are evaluated on a quarterly basis according to their completion of activities with established targets.

A SCAP or SPMS measure, on the other hand, is used to track an activity that is important in monitoring overall program progress. The two types of measures are SCAP planning estimates and SPMS reporting. Planning estimates result in numerical goals being established prior to the fiscal year (e.g., RD completions) which are used in setting annual budgets and full-time equivalent (FTE) staff allocations. Regions report progress against the planning estimates. SPMS reporting measures have no associated quantitative goals; only actual accomplishments are tracked (e.g., AOs for PRP response).

SCAP/SPMS Targets and Measures for FY89 are identified in Exhibit IV-1. As a result of the May 1988 SCAP Conference, a large number of the FY88 SCAP targets and measures have been changed for FY89. Some activities which were SCAP targets in FY88 are SCAP measures in FY89 (e.g., RD completions). In other cases, first and subsequent activities which were targeted separately in FY88, have been combined in FY89 (e.g., RA completions). And, finally, activities which had separate program lead SCAP targets in FY88, have a combined program FY89 SCAP target (e.g., RI/FS starts). The SCAP/SPMS targets for RA starts were not revised and targets are still established on a program specific basis. However, the takeover of an RA by the PRPs or the Fund will result in an increase and/or decrease of the appropriate program's SPMS targets. The combined program quarterly or annual target will not change. As a result of these changes regions should review the SCAP/SPMS Targets and Measures tables and the Definitions and Planning Requirements in Volume II prior to finalizing their FY89 SCAP.

EXHIBIT IV-1

SCAP/SPMS TARGETS

ACTIVITIES	SPMS TARGET	SCAP TARGET	QUARTERLY TARGET	ANNUAL TARGET
Pre-Remedial				
Preliminary Assessment (PA) Completions	X	X	X	X
Screening Site Inspection (SSI) Completions	X	X	X	X
Environmental Priorities Initiative Sites with completed PAs and SSI		X	X	X
Remedial				
Remedial Investigation/Feasibility Study (RI/FS)				
First RI/FS Starts	X	X	X	X
Subsequent RI/FS Starts	X	X	X	X
RI/FS To Public		X	X	X
First RI/FS Completions (ROD)	X	X	X	X
Subsequent RI/FS Completion (ROD)		X	X	X
Final RI/FS Completion (ROD)	X	X	X	X
Remedial Design (RD)				
First RD Start	X	X	X	X
Subsequent RD Starts		X	X	X
Final RD Start	X	X	X	X
Remedial Action (RA)				
First RA Start - RP	X	X	X	X
First RA Start - Fund	X	X	X	X
Subsequent RA Start-RP		X	X	X
Subsequent RA Start - Fund		X	X	X
Final RA Start - RP	X	X	X	X
Final RA Start - Fund	X	X	X	X
NPL Sites with RA Starts Post-SARA	X	X	X	X
Final RA Completions	X	X	X	X
Deletion Initiated	X	X	X	X
Removal				
First NPL Removal Start	X	X		X
Subsequent NPL Removal Start	X	X		X
NPL Removal Completion		X		X
Non-NPL Removal Start		X		X
Non-NPL Removal Completion		X		X
Enforcement				
Conclusion of RD/RA Negotiations		X	X	X
Administrative Cost Recovery Settlements	X	X	X	X
Section 106 RD/RA Referrals/Orders				
- with settlement	X	X	X	X
- without settlement (includes unilateral orders)	X	X	X	X
Section 106 Case Resolution		X	X	X
Section 107 Cost Recovery Judicial Settlement		X	X	X
Section 107 Cost Recovery Referral Actions (>$200,000)				
- Removals	X	X	X	X
- Remedial Action	X	X	X	X
Federal Facility				
First RI/FS Completion (ROD)	X	X	X	X
NPL Sites with Interagency Agreements	X	X	X	X

EXHIBIT IV-2

SCAP/SPMS MEASURES

ACTIVITIES	SPMS REPORTING	SCAP PLANNING EST	QTRLY	ANNUAL
Pre-Remedial				
FIT-PA/SI Completions		X	X	X
State-PA/SI Completions		X	X	X
Sites with LSI Starts		X		X
Remedial				
RD Completions		X	X	X
RA Completions		X	X	X
Deletion - Fund	X	X	X	X
Deletion - PRP	X	X	X	X
Removal				
NPL Removal Completions	X			X
NPL Removal Deletions	X			X
Enforcement				
NPL PRP Search Start		X		X
Non-NPL PRP Search Start		X		X
NPL Sites with Completed PRP Searches		X	X	X
Non-NPL Sites with Completed PRP Searches		X		X
Administrative Orders for Removals	X	X		X
RI/FS Negotiations Start		X	X	X
RI/FS Negotiations Complete		X	X	X
RD/RA Negotiations Start		X	X	X
Section 106/107 Referrals				
- Removal	X	X	X	X
- Remedial Action	X	X	X	X
Section 107 Cost Recovery/Settlement	X		X	X
Federal Facilities				
PA Completion	X		X	X
SI Completion	X		X	X
Final ROD	X		X	X
NPL Sites with RA Start Post - SARA	X	X	X	X
Oil Spill Activities				
SPCC Inspections/Reviews		X		X
Clean Water Act Funded Oil Spills Cleaned Up by EPA		X		X
On-Scene Monitoring of Oil Spill Responses		X		X

CHAPTER V - SCAP PLANNING PROCESS & PROCEDURES

Beginning in FY89, HQ/regional SCAP negotiations will occur on a semi-annual basis in February and July. This change in the SCAP process is intended to take advantage of the greater flexibility provided through the regular use of CERCLIS as a management planning tool.

It should be noted, however, that the shift to twice yearly formal updates and negotiations in no way changes the regional responsibility for frequent and timely updates of CERCLIS. SCAP related planning and accomplishment data serve many functions including SPR, SPMS, FTE allocation, budget development, AOA issuance and reporting to Congress. Some of these have reporting cycles and information needs that are far more frequent than the semi-annual SCAP negotiating cycle. Because of those interdependencies it is critical that regions keep all SCAP information current and update all CERCLIS and CERHELP data bases regularly.

PROGRAM MANAGEMENT PROCEDURES

This section describes the information flow and HQ/regional responsibilities associated with the FY89 Superfund planning process.

HQ responsibilities include:

- Entering negotiated preliminary and final SCAP/SPMS targets and measures and site back-up in the CERHELP Targets and Accomplishments data file;
- Updating the numbers and site back-up in the Targets and Accomplishments data file to reflect approved amendments to the SCAP throughout the year;
- Entering preliminary and final budget data in the CERHELP Budget Control/Advice Of Allowance (BC/AOA) system;
- Determining the AOA based on SCAP planned activities in CERCLIS;
- Entering and maintaining AOA data in the CERHELP BC/AOA system; and
- Responding to regional requests for changes in plans through the amendment and change request process.

Regions have complete responsibility for maintaining CERCLIS and selected portions of the CERHELP data base. At a minimum this requires:

- For sites which are beginning the RI/FS in the current or next fiscal year, planning and scheduling all events and enforcement activities through the NPL deletion process ;
- Keeping SCAP planning data current;
- Updating the site back-up in the Targets and Accomplishments data file to reflect adjustments to the SCAP throughout the year;
- Reporting accomplishments as they occur;
- Reconciling CERCLIS financial data with FMS;
- Entering and maintaining quarterly planning and accomplishments reporting for non-site specific activities; and
- Preparing SCAP amendments and change requests.

The regional Information Management Coordinator (IMC) is a senior position which serves as regional lead for all Superfund program and systems management activities. The IMC serves as the liaison between the Waste Management Division and the Environmental Services and Management

Divisions. The following lead responsibilities for regional program planning and management rest with the IMC:

- Coordinate SCAP/SPMS planning, development and reporting;
- Ensure regional accomplishments are accurately reflected in CERCLIS;
- Reconcile FMS data transferred into CERCLIS;
- Provide liaison to HQ on SCAP/SPMS and program evaluation issues;
- Coordinate regional evaluations by HQ; and
- Ensure that the quality of CERCLIS data are such that accomplishments and planning data can be accurately retrieved from the system.

OVERVIEW OF THE SCAP PROCESS

The SCAP process generates data that fulfill the following functions:

- Tracking of accomplishments against targets/measures;
- Updating planning (schedules and funds) for the current fiscal year;
- Developing planning data for the upcoming fiscal year; and
- Providing data for outyear budget planning purposes.

It is essential that SCAP data remain current and up to date and that accomplishments be reported as soon as they occur. Planning information should be reviewed on at least a weekly basis and information updated as necessary.

However, as noted earlier in this document, the SCAP formal negotiation cycle has been changed to a semi-annual process. The focus of the two formal negotiations is slightly different. Exhibit V-1 indicates the significant differences between the February and July negotiating sessions.

EXHIBIT V-1

SCAP PLANNING YEAR

SECOND QUARTER (FEBRUARY 1989)

- Update and negotiate planning information in CERCLIS for the third and fourth quarter FY89
- Review slippage in FY89 targets for development of action strategies
- Reassess the remedial action funding strategy
- Negotiate preliminary SCAP/SPMS targets and measures for FY90 with HQ and the regions
- Determine preliminary FY90 FTE allocations based on the preliminary targets and measures
- Provide complete site schedules including planned RA obligations to allow HQ to project the outyear budget (FY91)

FOURTH QUARTER (JULY 1989)

- Establish final SCAP/SPMS commitments for FY90
- Finalize resources for FY90
- Set FY90 annual regional budget

The fourth quarter SCAP planning cycle is important because of its direct impact on the upcoming fiscal year's budget. Regions are required to manage their funds and operate within the annual budget established during the fourth quarter update. Funds within the region's budget must be reprogrammed to meet unexpected contingencies.

During the second quarter negotiations, if there are issues that were not fully resolved, or if there are activities that are significantly behind schedule, HQ will consider shifting funds between regions. At this time also HQ will closely evaluate the status of the remedial actions scheduled to begin in FY89. The evaluation will focus on those remedial actions scheduled to begin in the third and fourth quarters and the funding levels required. Based on the results, the remedial action funding strategy may be revised and adjustments may be made within and between regional remedial action budgets. Any decision to shift funds will be based on need and the expectation that the region has the ability to improve Agency-wide achievement of National targets.

PROCEDURES FOR ANNUAL TARGET SETTING

The process for the development of a fiscal year's SCAP and SPMS targets/measures begins with the SCAP developed during the second quarter of the previous fiscal year. Preliminary targets/measures for the upcoming fiscal year are set by early March and used to derive the preliminary FTE allocations for the coming year. All targets/measures are negotiated and numbers are established only after discussions between Office of Emergency and Remedial Response (OERR), Office of Waste Programs Enforcement (OWPE), and the regions. Final SCAP and SPMS targets are set in the fourth quarter SCAP which is finalized in August. Final targets/measures also involve HQ/regional negotiations.

The procedures for target setting for the upcoming fiscal year are as follows:

- At the beginning of the second quarter HQ sends to the regions initial targets and planning estimates based on the SCAP Methodologies (SCAP Methodologies for FY90 are presented in Appendix A).

- Regions will respond to proposed SCAP targets/measures through CERCLIS within the timeframes established for the second quarter SCAP negotiations. To adequately plan for the year, a region must make decisions on the status of projects. States should be consulted prior to making these decisions. Remedial and enforcement projects should be identified as either "Primary" (P) or "Alternate" (A) in the SCAP/SPMS Target Status field in CERCLIS. Primary projects represent those that have the greatest likelihood of meeting the schedules in CERCLIS. The number of primary projects will be used to determine SCAP/SPMS preliminary commitments. Alternate projects may be substituted to replace primary projects which are experiencing slippage or are deferred because of revised project priorities. A region should identify alternate projects to ensure that it can maintain a steady pipeline of remedial activity. (See Exhibit V-2 for an example of the use of primary or alternate target status field.)

- The regional response to non-site specific targets or planning estimates should be reported in the Targets and Accomplishment file in CERHELP. The target or planning estimate should be entered into CERHELP with the appropriate activity code and a "Proposed" (P) in the Version data field in CERHELP. Appendix D identifies the targets and measures which are planned on a site specific vs. non-site specific basis.

- HQ/regional negotiations occur during the second quarter (A separate negotiation schedule is sent to the regions). Action strategies developed for current year performance problems are a factor in the negotiation of targets and measures.

- Draft final targets/measures are set after completion of the negotiations in early March.

- In preparation for the fourth quarter SCAP negotiations, regions must not only make decisions on the status of projects but must also anticipate funding needs. States should be consulted to ensure that state-lead activities and state funding needs are accurately reflected in SCAP. Those sites which have the greatest likelihood of requiring funding during the fiscal year that are within the region's budget allocation should be identified by placing "Approved" (APR) in the Funding Priority Status field in CERCLIS. "Alternate" (ALT) projects are a pool of projects which are moving toward the point of obligation. As with primary and alternate SCAP/SPMS targets and measures, alternate projects may be substituted for approved projects which experience slippage or are deferred due to changing priorities. For all events (RI/FS, RD, RA) scheduled to begin during the fiscal year, the "APR" funding status can only be placed on funds for sites which are coded as "P" SCAP/SPMS targets. For example, only RI/FS starts that are primary SCAP/SPMS targets will receive funds. (See Exhibit V-2 for an example of the use of the funding priority status field.)

- Based on the fourth quarter SCAP reflected in CERCLIS and CERHELP, a second round of negotiations is held to finalize the targets and planning estimates and the regional budget. At this time, only minor changes to targets and measures developed during the second quarter should occur. These negotiations are conducted in July and final targets, measures and associated budgets are in place by early August.

- Any changes that result from the negotiation of preliminary or final targets/measures must be entered into CERCLIS by the regions.

- HQ will enter preliminary and final commitments including the site-specific back-up where appropriate into the Targets and Accomplishments file in the CERHELP non-site specific data base.

- A memorandum and a copy of the Targets and Accomplishments report providing final agreed upon targets and measures is sent to the regions for concurrence.

- After regional concurrence, the targets and measures, site back-up, and the regional budget are sent to the Assistant Administrator for approval in early September. They are then submitted to the Office of Management Systems and Evaluations as final SPMS targets and are used for final FTE distribution.

EXHIBIT V-2

PRIMARY VS. ALTERNATE SPMS STATUS AND "APPROVED" VS. "ALTERNATE" BUDGET PRIORITY

ORIGINAL PLAN

SCAP/SPMS Target	Activity Target	Site Name	State	Op Unit	Evt Type	Ld	Plan Start	Actual Start	Funding Status
	First RI/FS Starts Program								
P		X	IA	01	CO1	F	88/2		APR
P		Y	MO	01	CO1	F	88/4		APR
A		Z	KS	01	CO1	F	88/4		ALT
	TOTALS	2							

ALTERED PLAN

SCAP/SPMS Target	Activity Target	Site Name	State	Op Unit	Evt Type	Ld	Plan Start	Actual Start	Funding Status
	First RI/FS Starts Program								
A		X	IA	01	CO1	F	88/4		ALT
P		Y	MO	01	CO1	F	88/4		APR
P		Z	KS	01	CO1	F	88/2	2/09/88	APR
	TOTALS	2							

SCAP PLANNING

Regions are required to keep the SCAP data in CERCLIS and CERHELP up-to-date and accurate. Changes in planning information (schedules and funds) should be entered into CERCLIS or CERHELP within five days of the RPM becoming aware of the need for the change. If changes affect a SCAP or SPMS target or measure or the approved funding level for a site, the SCAP/SPMS Target Status and Funding Priority Status fields in CERCLIS must also be updated.

Semi-Annual Planning Process

As a final check to ensure that SCAP data are up to date, regions should generate SCAP reports beginning on the first working day of January and June for internal review of the planning data in CERCLIS and CERHELP. These planning data should reflect any adjustments or approved amendments made to the annual plan. Regions should note that changes made in CERCLIS to site schedules and other planning data will not automatically result in changes to SCAP/SPMS targets. Although regions have the flexibility to alter plans, they are still accountable for meeting the targets negotiated at the beginning of the fiscal year. (See the section on SCAP/SPMS Adjustments and Amendments).

On the fifth working day of February and July, HQ pulls the proposed regional SCAP update which will serve as the basis for HQ/regional negotiations. To ensure consistency in the negotiation phase, the CERCLIS and CERHELP data bases are frozen prior to pulling the regional reports. As a result, all parties (HQ and the regions) will have identical data for use during the negotiation process.

CERCLIS data quality problems which affect the SCAP update are resolved prior to negotiations. These problems are to be resolved on a region-specific basis through telephone calls between HQ and the IMC.

CERCLIS Reports for SCAP Planning/Target Setting

Exhibit V-3 presents the CERCLIS reports used by HQ and the regions in the development and negotiation of regional targets/measures. Following is a discussion on these reports:

- The SCAP/SPMS Targets and Accomplishments Summary Report (SCAP-14) displays aggregate quarterly target totals and site back-up by SCAP activity.

- The Event/Activity Summary Report for NPL Sites (EVAL-15) provides planned obligations, first and subsequent start and completion codes and budget source for events and activities at sites on the NPL.

- The Non-NPL Site Summary Report (SCAP-1) displays major planned, ongoing and completed activities for sites which are not on the current NPL. Information on PRP searches, non-NPL removals, non-NPL removal Administrative Orders, etc. are found on this report.

- The NPL Site Summary Report (SCAP-2) contains major planned and actual data for remedial events and enforcement activities at sites which are on the NPL.

- The Financial Summary Report (SCAP-15) aggregates dollars by program area. This report should be used to compare funding requests in CERCLIS and CERHELP against the regional budget. Site specific backup to the Financial Summary Report for Fund-financed remedial projects is available through the Projected Fund-Financed Remedial Projects Report (SCAP-3). Backup to the non-site specific funding is available through the SCAP Non-Site/Incident Activity Planning Report on the CERHELP menu.

- The Data Quality Check Reports (DQCK-1) are a series of edit reports the regions can use to check CERCLIS data quality. Any errors noted in these reports should be corrected in CERCLIS prior to the HQ deadline for pulling reports from CERCLIS. The RI/FS Liability Report was added to the Data Quality Reports section. This report shows FY89 and total project RI/FS funding needs. The report was used by HQ to develop regional RI/FS budgets and the RI/FS funding strategy. Regions can use this report to develop the regional RI/FS budget.

- The Target/Negotiation Report (SCAP-16) is similar to the SCAP/SPMS Targets and Accomplishments Report and is used for target negotiations. The SCAP flags and other coding requirements needed to identify a given event/activity as a planned start or completion is included in the report. A similar report, Projected Planning Estimates and Projected Measures (SCAP-13) will be used for negotiation of SCAP measures and used for budget and FTE allocations.

- The Planned Starts, Completes, Ongoing and Obligations Report (RMVL-18), which will be available the beginning of FY89, will provide planning information for the removal program.

EXHIBIT V-3

SCAP PLANNING/TARGET SETTING CERCLIS REPORTS

DQCK-1:	*Data Quality Check Reports*
SCAP-1:	*Non-NPL Site Summary Report*
SCAP-2:	*NPL Site Summary Report*
SCAP-3:	*Projected Fund-Financed Remedial Projects Report*
SCAP-13:	*Projected Planning Estimates and Projected Measures*
SCAP-14:	*SCAP/SPMS Targets and Accomplishments Summary Report*
SCAP-15:	*Financial Summary Report*
SCAP-16:	*Target/Negotiation Report*
EVAL-15:	*Event/Activity Summary Report for NPL Sites*
RMVL-18:	*Planned Starts, Completions, Ongoing and Obligations*

Accomplishment Reporting

Accomplishments data are recorded on CERCLIS Site Information Forms (SIF) and CERHELP Non-Site Incident Activity Maintenance Forms, or other regional data entry forms and entered into CERCLIS and CERHELP by the IMC or designee. Data on accomplishments should be entered into CERCLIS within five days of the event.

Beginning on the first day of each month, regions should generate SCAP reports for internal review. Regions should perform data quality checks and make adjustments to CERCLIS or CERHELP if the data bases do not reflect actual accomplishments.

On the fifth working day of each month, HQ will pull data from CERCLIS on a selected number of key indicators of progress in the Superfund program (i.e., Removals, RI/FS starts, RODs, RDs, RA, 175 RAs). These numbers will be the official numbers used for the Superfund Progress Report and any reports of progress given to the Administrator, Assistant Administrator, Congress and the news media. This is also the information that will be used for calls to the Regional Administrators regarding progress on the key indicators tracked in the Assistant Administrator's pro-active memorandum.

On the fifth working day of each quarter, HQ pulls SCAP reports from CERCLIS and CERHELP. These reports are reviewed by HQ to evaluate regional progress toward SCAP targets and are submitted to OMSE for reporting SPMS accomplishments. It is important to note that in addition to reporting accomplishments in CERCLIS, regions must continue to enter SPMS data into the OMSE SPMS system.

CERCLIS Reports for Accomplishment Reporting

Exhibit V-4 presents CERCLIS reports HQ uses to evaluate regional accomplishments. All are used for reporting and crediting SCAP/SPMS targets and accomplishments. Following is a discussion of these reports:

- The Projected Planning Estimates and Projected Measures (SCAP-13), SCAP/SPMS Targets and Accomplishments (SCAP-14) and Event/Activity Report for NPL Sites (EVAL-15) reports are used by the pre-remedial, remedial and enforcement programs to provide planned and actual information for events and activities.

- Quarterly Removal Plans and Accomplishments Summary show actual (RMVL-7A) removal starts and actual (RMVL-7B) removal completions.

- Financial information and the status of obligations are provided by the Projected Fund-Financed Remedial Projects Report (SCAP-3) and the Remedial/Removal Site-Specific Funding Reports (FINC-4, 5 and 6).

EXHIBIT V-4

PROGRAM EVALUATION CERCLIS REPORTS

SCAP-3: *Projected Fund-Financed Remedial Projects Report*
SCAP-13: *FY89 Projected Planning Estimates and Projected Measures Report*
SCAP-14: *FY89 SCAP/SPMS Targets and Accomplishments Summary Report*
RMVL-7: *Quarterly Removal Plans and Accomplishments Summary*
FINC-4: *Remedial/Removal Site-Specific Funding Report*
FINC-5: *Remedial Site-Specific Funding Report*
FINC-6: *Removal Site-Specific Funding Report*
EVAl-15: *Event/Activity Report for NPL Sites*

QUARTERLY REMOVAL PLANNING PROCESS

The nature of removal activities is to respond to emergency, time critical and non-time critical, situations at NPL and non-NPL sites. Planning for removal actions in FY89 will be more difficult than ever before. On the one hand, SARA provides broader removal authority and imposes new requirements; on the other hand, removal funding increased slightly but not enough to cover the potential increase in costs caused by the SARA requirements.

Each region should recognize that it probably does not have sufficient funds to address all actual or threatened releases that meet the removal criteria in the National Contingency Plan (NCP). Responsible management means having to make some tough decisions. Regions may have to defer funding non-time critical actions in order to maintain a sufficient contingency for classic emergencies. Additionally, regions may have to depend more upon state and local authorities to address the real, but smaller threats that regions now occasionally handle.

The increased use of enforcement authorities becomes essential as the funds for removal actions are reduced. Removal PRP searches should be initiated as soon as a candidate has been identified. Notice should be given to identified PRPs and administrative orders issued when time permits. Non-time critical removals are prime candidates for PRP actions.

Since so much of the removal work cannot be anticipated, the Office of Solid Waste and Emergency Response (OSWER) requires site specific planning only one quarter in advance. Each quarter a plan for the upcoming quarter is prepared. A region begins this planning period by identifying sites in CERCLIS which are candidates for removal work in the upcoming quarter and the funding each action will require. In order for funds to be available for classic emergencies or for sites that cannot be identified during the planning process, a removal contingency amount is placed in the non-site/incident activity section of the CERHELP data base by the region. The region also has the discretion to identify sites it cannot afford to do by using the CERCLIS "ALT" funding status flag. HQ reviews this plan and discusses any proposed changes with the region. When both sides reach agreement, the region enters the final plan in CERCLIS and CERHELP and the AOA is generated.

At any time after the plan for the quarter is approved, regions have the authority to change it. However, entry of changes must follow the SCAP amendment/adjustment procedures outlined below.

SCAP/SPMS ADJUSTMENTS AND AMENDMENTS

After targets have been finalized and planned funding levels developed, the SCAP process provides the flexibility to modify plans during the year. Modifications to planned targets are termed either adjustments or amendments. Amendments are SCAP changes which:

- Increase the region's annual operating budget (OERR or OWPE);
- Change the AOA or increase the RI/FS budget ceiling within the other remedial AOA; or
- Change a quarterly or annual SCAP or SPMS target.

Amendments require HQ concurrence and approval. Any other SCAP change, including site substitutions, is an adjustment and does not require HQ approval. Adjustments should be reflected in CERCLIS by updating the site-specific data base and the CERHELP Targets and Accomplishments data file on an ongoing basis. The processes described in Exhibit V-5 must be followed when amending the SCAP. Chapter VI outlines the procedures for processing AOA change requests. The Office of Program Management and the program offices in OERR and the Compliance Branch of OWPE provide input on SCAP amendment approval decisions.

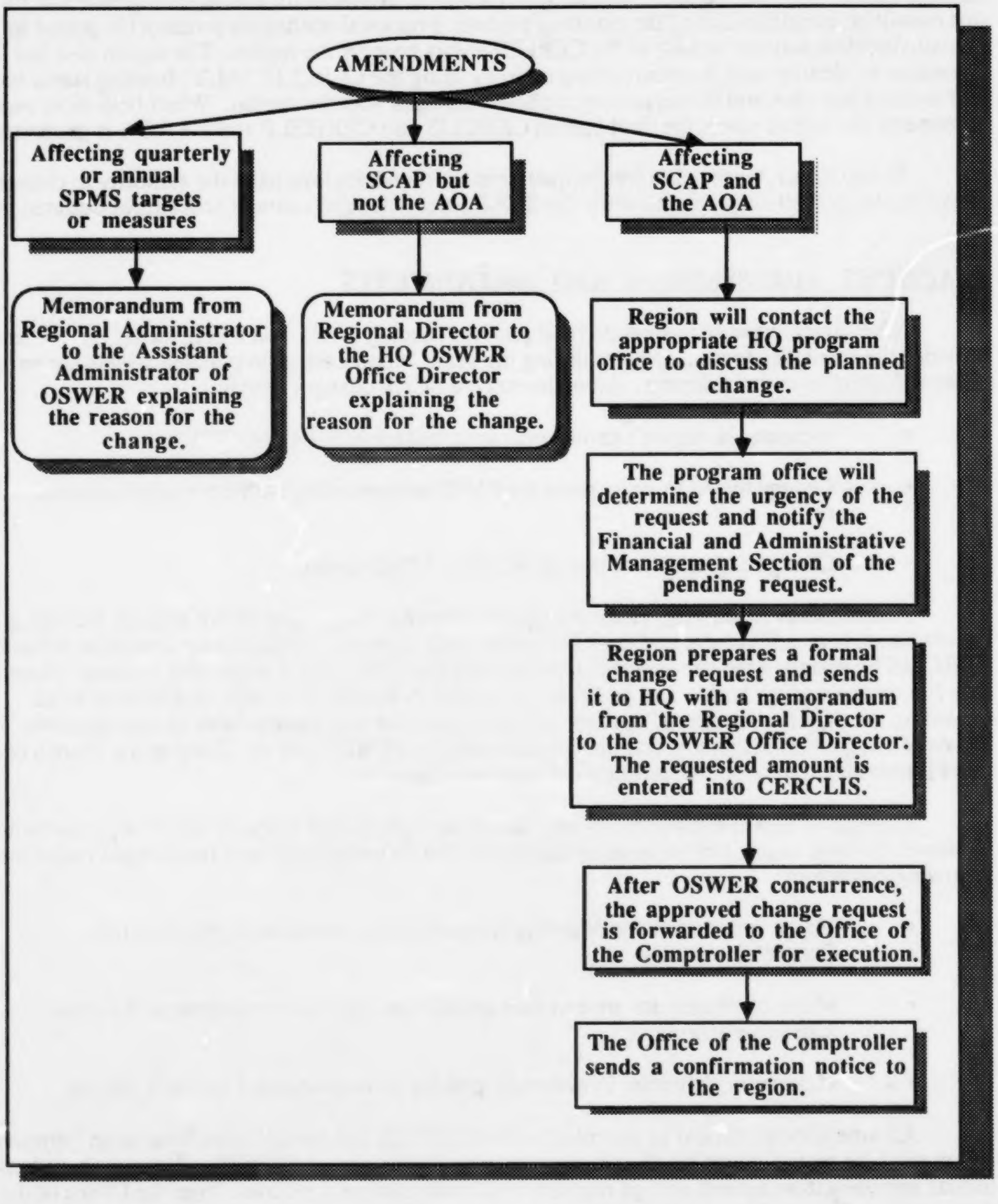
Changes to SPMS commitments should not be made simply because targets will not be met. However, in some cases, amendments to targets may be necessary and may be changed under the following conditions:

- Major, unforeseen contingencies arise that alter established priorities (i.e., Congressional action);
- Major contingencies arise to alter established regional commitments (i.e., state legislative action); or
- Measure or definition in system is creating an unanticipated negative impact.

All amendments should be recorded in the CERCLIS site-specific data base as an "approved" action after the region issues the change request or memorandum to OSWER. Regions should not initiate any obligation against change requests until confirmation is received from the Office of the Comptroller. The site back-up in the Targets and Accomplishments data file will be revised by HQ if the amendment is approved. If the amendment is not approved, HQ will notify the region and the "approved" record in CERCLIS will have to be revised.

EXHIBIT V-5

SCAP AMENDMENT PROCESS


AMENDMENTS
Affecting quarterly or annual SPMS targets or measures
Affecting SCAP but not the AOA
Affecting SCAP and the AOA
Memorandum from Regional Administrator to the Assistant Administrator of OSWER explaining the reason for the change.
Memorandum from Regional Director to the HQ OSWER Office Director explaining the reason for the change.
Region will contact the appropriate HQ program office to discuss the planned change.
The program office will determine the urgency of the request and notify the Financial and Administrative Management Section of the pending request.
Region prepares a formal change request and sends it to HQ with a memorandum from the Regional Director to the OSWER Office Director. The requested amount is entered into CERCLIS.
After OSWER concurrence, the approved change request is forwarded to the Office of the Comptroller for execution.
The Office of the Comptroller sends a confirmation notice to the region.

MAINTAINING THE TARGETS AND ACCOMPLISHMENTS FILE

HQ is responsible for putting the preliminary and final negotiated SCAP/SPMS targets and site back-up in the Targets and Accomplishments file in CERHELP. During the fiscal year, HQ will also be responsible for changing the targets and site back-up if amendments are approved. Regions are responsible for updating the Targets and Accomplishments file to reflect SCAP/SPMS adjustments. Appendix D contains tables which show which targets and measures require site-specific backup in CERHELP.

Following are guidelines for regional maintenance of the Targets and Accomplishment file. Additional detailed instructions on CERHELP can be found in the CERCLIS Users Reference Manual.

- Regions will not be allowed to add to or delete sites from the Targets and Accomplishments file. Only changes will be allowed. However, the site specific CERCLIS records should be updated at the time a SCAP or SPMS amendment is requested.
- The number of sites named in the Targets and Accomplishments file must equal the numerical target. If a region has a target of eight RDs, for example, eight sites must be named in the Targets and Accomplishments site back-up.
- If "to be determined" (TBD) sites are used instead of real sites in the Targets and Accomplishments file, there must be enough candidate sites in CERCLIS that can be used to replace the TBD sites as soon as possible.
- A site must be in CERCLIS before it can be in CERHELP.
- The Assistant Administrator's pro-active memorandum is developed using the data in the Targets and Accomplishments file. Therefore, it is essential that the list of sites that support the targets be kept up-to-date and current. Regional SCAP adjustments must be reflected in CERHELP. This includes site substitutions and changes in schedules which do not affect SPMS or SCAP targets.

Following are the procedures for making changes to the CERHELP target site data:

- Each time a change to site data in CERCLIS results in a SCAP adjustment, run the CERHELP Target Maintenance Report for FY89 (Report #4 on the CERCLIS Site Reports Menu).
- Locate the Target Activity Code page on the report (report is sequenced alphabetically by Target Activity Code).
- Scan target site data to locate site no longer being targeted and cross out EPA ID, Operable Unit and Event Codes or Enforcement Activity Code.
- Record corresponding codes for the replacement site.
- Access Non-Site/Incident Screen #27 -- CERHELP Target/Accomplishment Data Maintenance Screen.
    - Enter Action Code C=Change and Record Type S=Site

  - To access record to be changed, enter required field data (region, Fiscal Year, activity type, lead, quarter and sequence number codes) directly from report
  - Enter replacement site data (EPA ID, OU and Event or Enforcement Activity Codes)
  - Run Target Maintenance Report to verify changes. File report for use in making subsequent changes.

- The HQ SCAP Coordinator and interested program offices will run National Target Maintenance Reports as needed to review changes.

PLANNING REQUIREMENTS AND PROCEDURES

Preliminary Assessments/Screening Site Inspections

Regions can only be given credit for Preliminary Assessment (PA) and Screening Site Inspection (SSI) completions if the completion date and a decision on further activities at the site are entered into the appropriate CERCLIS site record.

There are three decisions on further activities that must be made at the completion of the PA:

- High priority for an SI;
- Medium priority for anSI; and
- No further remedial action planned (NFRAP).

There are two decisions on future activities that must be made at the completion of the SSI:

- Recommendation for an LSI; and
- No further remedial action planned (NFRAP).

Listing Site Inspection

The FY89 Listing Site Inspections (LSIs) will be the field effort to support FY90 proposals to the NPL using the revised HRS. The revised HRS is expected to be final in April 1989. Early in FY89, guidance on NPL listing will be developed so that the first listing under the revised HRS can be promulgated as expeditiously as possible.

LSIs are not RI/FS substitutes and, consequently, the expenditures must be efficient and focused. Two important goals are to limit technical hours for each LSI and to minimize subcontracting expenditures. LSIs to meet SCAP planning estimates must be identified on a site specific basis.

Site Classification

Site classification is not the same as project/event lead codes. Classification of sites on the NPL is determined by the regions upon completion of a PRP search. The identification is made based on the number of PRPs identified and the probability of the PRPs assuming responsibility for remedial activities at the site. NPL sites may be classified as Federal Enforcement, State Enforcement, Fund or program Lead, and Fund or program Lead with Negotiation.

Federal Enforcement sites are defined as those sites where work is being performed by the PRP under a federal order.

Sites classified as Fund or program Lead and Fund or program Lead with Negotiation include those sites with activities that are Federally financed and the work is being performed by EPA or the state.

When the state takes the lead for working with the PRPs, the site is classified as State Enforcement. State enforcement sites do not have a funded RA component.

The site classification must be kept up to date. If the PRPs take over remedial activities at a site classified as Fund, the classification should be changed to Federal Enforcement. Changes in site classification from enforcement to fund or program lead may be appropriate based on the nonviability of PRPs or related reasons. In these cases, the concurrence of the Director, OERR, and the Director, OWPE, will be necessary.

Project/Event Lead Codes

Project/event lead codes are different from site classification. The lead code identifies the entity performing the work at the site. Exhibit V-6, on the following page, shows the valid project/event lead codes. A lead code must be placed in CERCLIS for all remedial events and enforcement activities. The lead code for a project support activity is the same as the lead code for the activity being supported. For example, management assistance funds to a state in support of a PRP RI/FS should be coded as RP lead. Beginning in FY89, RI/FS and RD projects can no longer be identified as FE lead. However, regions will not be required to change historical data on FE lead events in CERCLIS.

The Agency acknowledges that states can and have assumed the lead role in reaching an agreement with the PRPs for response activities at NPL sites without negotiating a cooperative agreement or other formal agreement with EPA (SR lead). However, the draft NCP has determined that in the absence of a formal agreement the state will not be officially recognized as the "lead agency" for the project and EPA will not concur on the remedy selected.

EXHIBIT V-6

PROJECT/EVENT LEAD CODES IN CERCLIS IN FY1989

Lead	Definition
F	Federally financed work performed by Fund/EPA with no enforcement component
RP	Potentially Responsible Party financed work performed by the PRP under a federal order
S	Federally financed work by a State with no enforcement component - Money provided through a cooperative agreement
SE	Federally financed work performed by a State with a state enforcement component - Money provided through a cooperative agreement or other comparable enforcement document
PS	Potentially Responsible Party financed work performed by PRP under a state order with oversight paid for or conducted by EPA through a cooperative agreement or, if oversight is not funded by EPA, a State Memorandum of Agreement or other formal document exists between EPA and the state
SN	State financed (no Fund dollars) work performed by the state
SR	Potentially Responsible Party response under a state order and no EPA oversight support or money provided through a cooperative agreement and no other formal agreement exists between EPA and the state
CG	Work performed by the Coast Guard - Limited to removals
MR	Mixed funding (Fund/Responsible Party) work performed by PRP under a federal decree with an agreement that the fund will provide reimbursement to the PRP
FE	Federally financed work perfomed by Fund/EPA with an enforcement component (No longer applies to RI/FS and RD beginning in FY89)
EP	Work performed by EPA using in-house resources
FF	Work performed by the Federal Facility with oversight provided by EPA and/or the State

Takeovers

A takeover means a change in lead for an event. For each remedial or removal event takeover, a new CERCLIS record must be created and the first and subsequent start (FSS) and complete (FSC) codes revised. A takeover does not create a new OU. The original CERCLIS event must be updated to show the completion date as the date of the takeover. The start date for the new CERCLIS event is also the date of the takeover.

The CERCLIS Event Takeover Flag is manually maintained. A "T" is used in this field to flag the original event which has the change in lead. The new event has an event code followed by a sequence number to indicate the original event that was taken over.

When the takeover of a remedial event occurs and work has not proceeded past the workplan stage, credit will be given to the program taking over the lead for both a start and completion. In order to assure credit is given to the proper program, the FSS and FSC codes should be placed with the event which was taken over. (See Exhibit V-7 for an example of the takeover coding.) However, if a takeover occurs after the workplan stage then the new lead will only receive credit for a completion; the previous lead retains credit for the start. Exhibit V-8 shows the proper placement of the FSS and FSC codes under these circumstances. Basically the FSS code stays with the original event record and the FSC code is placed with the new record.

EXHIBIT V-7

EVENT OR ACTIVITY TAKEOVER AT WORKPLAN STAGE

OU	EVENT	LEAD	TAKEOVER FLAG	PLAN START	ACTUAL START	PLAN COMP.	ACTUAL COMP.	FSS	FSC	COMMENTS
01	CO1	F	T	88/4	7/29/88	89/1	11/30/88			SITE WIDE
01	CO2	RP	CO1	89/1	11/30/89	91/1		A	A	SITE WIDE

EXHIBIT V-8

EVENT OR ACTIVITY TAKEOVER

OU	EVENT	LEAD	TAKEOVER FLAG	PLAN START	ACTUAL START	PLAN COMP.	ACTUAL COMP.	FSS	FSC	COMMENTS
01	CO1	F	T	88/1	11/15/87	89/3	4/30/89	A		SITE WIDE
01	CO2	RP	CO1	89/3	4/30/89	90/2			A	SITE WIDE

If a PRP takes over an RI/FS after program dollars have been obligated, unspent funds should be immediately deobligated. If the PRPs take over the RD or RA after program funds have been obligated, the region can retain the funds needed to provide oversight of the PRP RD or RA activities. The remainder should be deobligated. Funds for the development of workplans to support PRP negotiations should be funded by the Case Budget.

If the Fund originally obligated dollars for RD and/or RA activities and a takeover occurs, regions will have to request a change in account number through their regional Financial Management Officer. The activity code within the account number changes if the Agency is acting in an oversight role as opposed to performing the response action. Chapter VI includes a discussion on the valid activity codes for FY89.

When there is a takeover of a removal action, credit is given to the program with the original start and the completion is credited to the program assuming the work.

Impact on Funding Status of PRP Takeover

During the development of outyear budget planning information, regions should pay particular attention to the probability of a PRP takeover or the potential for a mixed funding response. Twenty to twenty five percent of each region's Federal or state lead RI/FS should result in PRP lead RDs and RAs. Regions should look at the sites scheduled for RD and/or RA in FY91 and determine the likelihood of a PRP takeover.

New CERCLIS codes have been established to show the probability that PRPs will assume project lead. Each RD and/or RA scheduled to begin in FY91 should be assigned a "H" (high), "M" (medium),"L" (low) or "U" (unknown) code based on the likelihood of PRP action. These probabilities will only be used for the development of outyear budgets and will not be used for operating year resource decisions. During negotiations, HQ and regions will discuss the likelihood of PRP takeovers and targets will be adjusted accordingly.

Operable Units in Remedial and Enforcement Programs

One of the driving mechanisms for Superfund's budgeting and planning process is the Operable Unit (OU) concept. Confusion over the definition of OU has led to conflicting planning and tracking methodologies among regions. Outlined below is a standard methodology for tracking OUs on an event-specific level that must be followed by all regions.

An OU is defined by the existing NCP as "a discrete part of an entire response action that decreases a release, threat of release or pathway of exposure" (NCP, Section 300.6). The draft NCP defines an OU as "discrete actions that comprise incremental steps toward the final remedy." This means that any specific area or response may be considered an OU. Exhibit V-9 provides the ground rules for OUs and Exhibit V-10 provides examples of operable units for the different remedial phases.

The OU field in CERCLIS does not reflect the definitions or ground rules for operable units. In CERCLIS, an operable unit is defined by the combination of operable unit number, event sequence number, and the first and subsequent start and completion codes. Past the ROD stage the OU number field in CERCLIS is **only** used to tie the RD and RA back to a particular ROD. For example, if you have only one ROD, no matter how many separate plans and specifications or separate bid packages are developed, the OU number in CERCLIS will remain "01". In this situation, the sequence number and first and subsequent start and completion codes would be used to delineate that, by definition, there is more than one operable unit.

Many enforcement activities are conducted on an OU basis, e.g., negotiations and orders or Consent Decrees. The OU number, event and event sequence number must be identified in CERCLIS in the remedy section of the enforcement activity.

EXHIBIT V-9

OPERABLE UNIT GROUNDRULES

- Each OU at the RI/FS stage must result in a ROD; subsequent RODs must address an aspect of the remedy not developed in the initial ROD.
- Each OU at the RD stage must result in separate plans and specifications.
- Each OU at the RA stage must be based on a separate bid package.
- Potentially Responsible Party, state or EPA takeovers do not result in separate OUs.

EXHIBIT V-10

EXAMPLES OF OPERABLE UNITS

- RI/FS
    - Source Control
    - Groundwater Cleanup
    - Permanent Relocation
- RD and RA
    - Pump and Treat System
    - Pilot Testing
    - Incineration
    - Cap
    - Waterline Installation
    - Soil Removal

There are several OU structures, as shown in Exhibit V-11 including:

- one occurrence of each event;
- multiple events (RDs, RAs) from a single ROD;
- multiple events from multiple RODs.

If a site has multiple like events (e.g., RDs) within a single operable unit, CERCLIS generates a sequence number for each event. The sequence number is dependant on the order the event is entered into the system. If a single operable unit has multiple RDs and RAs, the only way to tie an RD with its corresponding RA is through the systems generated sequence number. Therefore, regions must be certain than the planning information for the RD and its RA are entered into CERCLIS at the same time.

EXHIBIT V-11

OPERABLE UNITS AND FIRST AND SUBSEQUENT START AND COMPLETIONS CODING

ONE OCCURRENCE OF EACH EVENT

OU	EVENT	PLAN START	ACTUAL START	PLAN COMP.	ACTUAL COMP.	FSS	FSC	COMMENT
01	CO1	88/1	11/15/87	89/4		A	A	SITE WIDE
01	RO1			89/4			A	SITE WIDE
01	RD1	90/1		90/4		A	A	SITE WIDE
01	RA1	91/1		93/2		A	A	SITE WIDE

MULTIPLE EVENTS FROM A SINGLE ROD

OU	EVENT	PLAN START	ACTUAL START	PLAN COMP.	ACTUAL COMP.	FSS	FSC	COMMENT
01	CO1	88/1	11/15/87	89/4		A	A	SITE WIDE
01	RO1			89/4			A	SITE WIDE
01	RD1	90/1		90/4		B	B	SOURCE
01	RA1	91/1		93/2		B	B	SOURCE
01	RD2	90/3		91/2		D	D	GROUNDWATER
01	RA2	91/3		93/4		D	D	GROUNDWATER

MULTIPLE EVENTS WITH MULTIPLE RODS

OU	EVENT	PLAN START	ACTUAL START	PLAN COMP.	ACTUAL COMP.	FSS	FSC	COMMENT
01	RI1	88/1	11/15/87	89/1		B		WATERLINE
01	FS1	89/1		90/1				WATERLINE
01	FS2	89/2		90/2			B	WATERLINE
01	RO1			90/2			B	WATERLINE
01	RD1	90/2		90/4		B	B	WATERLINE A
01	RD2	90/3		91/2		C	C	WATERLINE B
01	RA1	91/1		93/4		B	B	WATERLINE A
01	RA2	91/3		90/1		C	C	WATERLINE B
02	CO1	88/2		90/1		D	D	GROUNDWATER
02	RO1			91/1			D	GROUNDWATER
02	RD1	90/2		91/3		C	C	GROUNDWATER A
02	RD2	90/4		93/3		D	D	GROUNDWATER B
02	RA1	91/2		94/1		C	C	GROUNDWATER A
02	RA2	91/4				D	D	GROUNDWATER B

First and Subsequent Starts and Completions

Start and completion codes are used to identify and characterize the sequencing of events and operable units. If an event does not have actual dates, the start and completion codes are determined by the planned dates. One of the codes shown in Exhibit V-12 must be assigned to each remedial event as it is entered into CERCLIS.

EXHIBIT V-12

FIRST AND SUBSEQUENT START AND COMPLETIONS

A = First and only event at a site
B = First of two or more events
C = Subsequent, but not final event
D = Final of two or more events.

The first and subsequent start (FSS) and first and subsequent complete (FSC) codes are based on event start and completion dates, not the system generated sequence number. Thus the first start of an event at a site is coded "A". If a second like event is started, the "A" code for the first event start must be changed to a "B" and the second like event is assigned a "D" code. If a third like event is started, the first event remains a "B", the second event must be changed from a "D" to "C" and the third event is assigned a "D" code. Event completions use the same methodology. If there is one occurrence of each event, all FSS and FSC codes are "A".

Exhibit V-11 on the previous page illustrates the use of the first and subsequent start and completion codes. Since the FSS and FSC codes are manually maintained, it is necessary to update these codes each time an event is added. Exhibit V-13 indicates combinations of FSS/FSC codes that are inconsistent with the coding procedures.

EXHIBIT V-13

IMPOSSIBLE FSS AND FSC CODE COMBINATIONS

- More than one A, B, or D
- An A and B
- An A and D
- An A and C
- C without a D and B
- B and C without a D
- C and D without a B

To Be Determined (TBD) Sites

Under certain circumstances, regions may not be able to identify all the sites necessary to meet SCAP targets. This may occur for the following activities:

- First RI/FS starts; and
- Section 106 RD/RA referrals without settlement.

In such cases, regions may enter planning data into TBD site records. CERCLIS provides the capability, through the use of a pseudo-EPA identification number, to set up temporary site records as TBDs until the actual site is identified. Following are procedures for handling SCAP TBD sites and associated planning data in CERCLIS.

The key data field for all CERCLIS site and related records is the EPA Identification Number. This number is twelve characters in length with the first two characters identifying the state in which the site is located, the third position identifies it as a permanent or temporary Dun & Bradstreet number, and the remaining nine digits being unique to a site within the state. The method of handling TBD sites in CERCLIS must be consistent with guidance for assigning EPA Identification Numbers to valid Superfund sites.

The procedure for assigning pseudo numbers is as follows. Each SCAP TBD site to be entered into CERCLIS will be assigned a unique 12-character EPA Identification Number which is constructed from regionally assigned state codes and numbers. The pseudo state codes shown in Exhibit V-14 for each region would be used in the first two positions of the pseudo ID.

EXHIBIT V-14

PSEUDO STATE CODES

Region	Pseudo State Code
1	ZA
2	ZB
3	ZC
4	ZD
5	ZE
6	ZF
7	ZG
8	ZH
9	ZJ
10	ZK

The third position of the code will always be "T" which further identifies the site as being a "TBD" site. The remaining nine digits will be selected from the 1000 numbers purchased from Dun & Bradstreet by HQ and allocated to each region.

An example of the use of the code is as follows. Region I has three TBD sites for RI/FS starts to be entered into CERCLIS. EPA Identification Numbers to be used for the three sites are as follows:

TBD site #1 -- ZAT982565053
TBD site #2 -- ZAT982565061
TBD site #3 -- ZAT982565079

At the time a real site is determined for TBD site #1, the site and associated data for EPA Identification Number ZAT982565053 are deleted from the CERCLIS data base. Subsequently, the appropriate planning data are added to the real site in the CERCLIS data base. The pseudo number, ZAT982565053, is then recycled for future use.

Regions may not use TBDs in planning subsequent RI/FS starts. When multiple OUs at a site are involved, regions should schedule the subsequent starts and associated core activities when planning the first RI/FS start at the site to the maximum extent possible. Subsequent starts should be scheduled even if they are not planned to begin in FY89. Even though TBDs are being used for target setting purposes, regions must have real sites in CERCLIS which can be substituted at a later date for the pseudo sites.

Standard Timeframes

When identifying sites for RI/FS starts, regions must provide schedules and planned obligations for all associated core activities, including date of RA contract award and Section 106 and/or Section 107 referrals to HQ for removal and remedial activities. Exhibit V-15 is a list of some of the core activities and their respective standard durations. Standard durations should only be used if more accurate estimates are not available. Following are special guidelines that should be considered when establishing schedules for certain core activities:

- RD/RA negotiations are normally scheduled for three quarters and begin one quarter prior to the planned ROD signature and last two quarters after the ROD is signed. If negotiations are scheduled for a site where there is a low probability of PRP takeover or the PRPs providing a good faith offer, shorten the RD/RA negotiations to two quarters. A Fund-financed RD would be scheduled to begin the same quarter negotiations are planned to be complete. If the site is a true "orphan site", do not plan any negotiations and schedule the Fund-financed RD to begin the quarter after the ROD is signed. If a settlement for RD/RA is assumed to be achieved, the referral to DOJ or HQ should be planned in the same quarter as the completion of negotiations.

- The date of contract award for RA is assumed to be two quarters after the start of the RA.

Identifying core activities and providing planned obligation estimates are important due to the impacts these projects, especially RAs, have on outyear budgets for the program areas. The cost of RA projects makes it imperative that scheduled start dates and planned obligations are known well in advance of the beginning of the fiscal year. In essence, dollars associated with RA project starts are locked in during budget formulation eighteen months prior to the beginning of the fiscal year. As a result, as better information becomes available on project costs, dollar estimates, and project schedules, the core activity plans should be updated and kept current in CERCLIS.

EXHIBIT V-15

STANDARD TIMEFRAMES

ACTIVITY	DURATIONS (In Quarters)
PRP Searches	2
RI/FS Negotiations	2
RI/FS	7
FS to Public	6
ROD	1
RI/FS Oversight	10
FS to Public	9
ROD	1
RD/RA Negotiations (begins 1 quarter before the end of the RI/FS and extends 2 quarters beyond the RI/FS completion)	3
Case Development (ends in referral)	2
Sec. 106 Settlement Referrals for Concurrence (time at DOJ)	2
Litigation or Sec. 106 RD/RA Referrals without Settlement (ongoing cases referred to DOJ until conclusion)	12
RD or RD Oversight	3
RA or RA Oversight	10
Removal Negotiations	1

Project Support Activities

Planning requirements for project support activities (community relations, technical assistance, state management assistance, etc.) has been changed in FY89. Only activities scheduled to begin and funds needed in the upcoming quarter must be planned site-specifically. Out quarters may be planned non-site specifically by event type in CERHELP. The quarterly site-specific planning of these activities will follow the same schedule as the quarterly removal planning. Funds must be moved from CERHELP to the site-specific CERCLIS records by the time Advice of Allowances are generated for the upcoming quarter. Also, as was explained in the section on project/event lead codes, the lead code for project support activities must match the lead code for the project/event being supported.

Technical Assistance Grants

The region should budget technical assistance grant (TAG) funds at Fund, PRP or Federal Facility sites based on their knowledge of which communities may request such grants. Since many communities may not be eligible or may decline to apply for various reasons, the region should not assume that every NPL site will require a TAG.

Administrative Records

SARA specifies that Administrative Records be compiled at Superfund sites where remedial or removal responses are planned, or are occurring, or where EPA is issuing a unilateral order or initiating litigation. Enforcement Case Budget and program funds are available for Administrative Record development in accordance with priorities specified by OWPE in FY88.

A total of $1.7 million is available nationally from OWPE for Administrative Record activities. The cost for compiling an Administrative Record will vary generally from $5,000 to $20,000, depending upon the number of PRPs involved, the amount of documents that must be compiled, and the history of the site, although HQ anticipates that the cost of most Records will not exceed $12,000. To allow for flexibility, HQ has not established firm pricing factors for Records, but rather has allowed for a range of expected costs, depending upon the priority of the Record being funded. Priorities for Record compilation and their expected cost ranges are listed below.

Administrative Records Priorities:

1. Planned FY89 RODs. Cost Range: $10,000-$12,000 each;
2. Enforcement Referrals:
   - Unilateral AOs under Section 106. Cost Range: $8,000-$10,000 each.
   - Section 106 litigation referrals to DOJ. Cost Range: $8,000-$10,000 each.
   - Section 107 litigation referrals to DOJ. Cost Range: $8,000-$10,000 each.
3. Ongoing RI/FS. For this priority, Regions will either be opening a Record or adding documents to an existing Record. Cost Range: $5,000-$10,000 each.
4. Planned RI/FS starts, following workplan approval. Cost Range: included in RI/FS pricing factor.
5. Signed RODs. This priority concerns the backlog of Records not completed at sites where RODs have already been signed. Completion of Records depends upon available funding. Most important among these are sites where there are viable PRPs who are not undertaking the RD or RA and where EPA may initiate Sections 106 or 107 litigation. Cost Range: $8,000-$10,000 each.
6. Removals where Sections 106 or 107 activity is planned or in process. Includes completed removals. Cost Range: $5,000-$8,000 each.

All new-start or ongoing Federal and state lead projects should be funded by OERR through the RI/FS or removal funding, or as separate Administrative Record events.

For Administrative Record compilation under priorities 1, 2, 5 and 6 above, regions should request Case Budget funding through the non-site specific portion of CERCLIS. These priorities represent mostly backlog funding needs which need not be shown site-specifically. Funding for compilations under priorities 3 and 4 should be requested site-specifically, either within the RI/FS funding request or as a separate Administrative Record funding action. A new Event code, "AR," has been added to CERCLIS for this work; CERHELP already contains an "AR" code. An AR event record should be placed in the appropriate RI/FS OU if a separate funding action is anticipated for AR work. Otherwise, the cost of AR compilation should be included in the RI/FS or RI/FS oversight funding request. There is no pre-set limit on a region's spending though HQ will negotiate redistribution of funds when necessary to fund priority projects in all regions.

Contract mechanisms should be also designated in CERCLIS (e.g., TES 3, & 4, 8(a) minority contracts). Regions are strongly encouraged to use TES or other contractors to develop records management procedures for administrative records and to move to contracts with 8(a) firms to perform ongoing maintenance and compilation tasks.

PRP Removal

For non-NPL sites, PRP searches should be initiated as soon as a removal candidate has been identified. The PRP search should be completed before most non-time critical removals, and at least concurrently with time critical removal actions so that negotiations for Administrative Orders (AO) can occur before the start of the removal. If negotiations are unsuccessful, issuance of a Unilateral Administrative Order should be considered. PRP searches also support possible cost recovery actions. Regions are required to report both planned and actual PRP search start and completion dates in CERCLIS.

Notice to owners, operators and other identified PRPs should be given and negotiations conducted before the removal is initiated in every instance unless time does not allow. For certain large removals which represent major response efforts, the special notice procedures of Section 122(e) should be employed. Where special notice is not employed, written notice under Section 122(a) must be given.

Regions should issue administrative orders (AOs) at every removal action where viable PRPs have been identified, time permitting. It is expected that AOs (unilateral or on consent) will be issued at 33 percent of all sites where removals are undertaken. In some cases, a unilateral order can be converted to a consent order, but this should be done without delaying PRP response. Oversight costs should be taken into account in negotiations, particularly in large removals.

Once PRP lead removals have begun, EPA should have an active oversight role, including on-scene presence. Contractor assistance is available if needed. Where PRPs are not complying with the order, regions should be prepared to quickly move forward with Fund-financed response and seek treble damages during cost recovery actions. When appropriate, regions may seek judicial action for preliminary relief to compel PRP response.

Where PRPs comply generally, but violate terms (deadlines, etc.) of the order, regions should be prepared to enforce the terms of the order via stipulated penalties, statutory penalties, or other sanctions. When unilateral AOs are issued and not complied with, treble damages should be sought during cost recovery (unless there was a viable reason for PRPs not to conduct the work) or on a limited number, a Section 106 referral. Regions should track the PRP's compliance status in CERCLIS. Regions must also develop administrative records to accompany their actions at removal sites.

Pre-RI/FS Enforcement Activity

For sites likely to be added to the NPL, PRP searches should start concurrently with the Listing Site Inspection (LSI) or at the latest, initiation of the listing process.

The PRP search should be managed -- including follow up, civil investigator assistance, and Office of Regional Counsel review -- to assure that: (1) PRPs, particularly generators, are identified early, (2) general notice is issued well before RI/FS special notice to enable PRPs to organize, (3) information related to PRPs is obtained months before the RI/FS special notice, and (4) special notice is issued over 90 days before the planned RI/FS obligation date. Information requests should be issued at least two quarters before general notice and must be followed up to assure they are as comprehensive as possible. To the extent available, information required for special notice should be presented to PRPs before the actual special notice is issued. Regions are required to record dates associated with general notices, special notice letters, and demand letters in CERCLIS. Copies of notice letters should be sent to HQ.

PRP searches should be completed prior to negotiations and should be planned enough in advance to avoid delaying a scheduled RI/FS start date. In addition, costs for past response actions, such as removals should be documented in advance and included in RI/FS negotiations. Regions should be prepared to move quickly through the negotiation process. This can be accomplished through:

- Providing a draft order and statement of work for the RI/FS with the special notice; and
- Establishing interim milestones to judge whether real progress is being made. These should be shared with the negotiating parties.

The regions have the option of starting discussions with PRPs before, as well as during the initial 60-day moratorium period.

RI/FS Settlement and Oversight

Settlements with PRPs for RI/FS are typically accomplished through an AO or in rare circumstances by consent decree (CD). The former is preferred. In any case, the settlement document should include either a work- plan prepared by EPA using Case Budget funds or a detailed Statement of Work with a workplan to be developed according to EPA guidance manuals. A well-defined schedule which lists deliverables and milestones should also be included.

Under SARA, EPA is required to use third party assistance in oversight of PRP lead RI/FS through Technical Enforcement Support (TES), other Federal agencies (e.g.,Corps of Engineers) or states. Oversight resources are obtained through the Case Budget process. At the time of settlement a detailed oversight plan should be developed which identifies in-house and extramural support needs. Oversight should include active field oversight as well as desktop review of engineering reports and other deliverables. Oversight must be tracked and billed to PRPs. In addition, regions must ensure compliance with the cleanup standards in Section 121 for ongoing and new PRP lead RI/FS. Remedial Project Managers (RPMs) must keep up with progress on PRP lead RI/FS as if it were an EPA contractor performing the work. Where delays or inadequacies are noted, prompt action, including enforcement actions, where appropriate, should be taken. Regions must maintain the PRP compliance status in CERCLIS.

Pre-RD/RA Enforcement Activity -- RD/RA Negotiations and Oversight

Prior to completion of the draft FS, regions should undertake considerable planning and review, including (1) review of PRP search information for completeness; (2) consideration, where appropriate, of mixed funding and de minimis settlement options and discussions with PRPs before the special notice; (3) documentation of past costs (e.g., RI/FS) for inclusion in RD/RA negotiations; (4) preparation of a special notice letter and accompanying draft CD; and (5) preparation for issuance of a Section 106 unilateral administrative order (AO) setting up treble damages where the case does not settle and there are viable PRPs, and referral of a §106 judicial action (e.g., for any site that does not settle and for which there are not funds for RD/RA.)

Special notice for RD/RA should be planned and issued concurrent with the release of the FS to the public. PRPs will have 60 days in which to submit a settlement proposal after receiving notices. If a good faith proposal is submitted in that timeframe, another 60-day period follows for negotiations. In order to proceed through negotiations expeditiously, regions should prepare a draft CD early in the process, and establish interim milestones in the RD/RA negotiation process. In accordance with the streamlined settlement guidance, Regional Administrators may extend the negotiation period for up to 30 days. Further extensions require the approval of the Assistant Administrator for Solid Waste and Emergency Response (AA SWER).

All settlements for RD/RA, under SARA, should be in the form of CDs. While SARA allows EPA to perform RD work during the special notice moratorium, as a matter of policy this should be avoided unless there are extenuating circumstances.

All sites with Records of Decision (RODs) should be evaluated for viable PRPs that may be willing to settle. It is expected that RD/RA negotiations will occur at about 80 percent of the sites. Where negotiations are unsuccessful and there are viable PRPs who could fund the RA, a unilateral AO requiring implementation of RD/RA (or in cases where RD has begun, for implementation of RA only) may be issued to encourage settlement and set up the disincentives and penalties and/or treble damages. AOs are to be issued prior to bringing Section 106 judicial actions. Approximately 40 percent of the RODs should be candidates for AO issuance. Where there is a partial settlement, actions against viable non-settlers should be pursued promptly.

Oversight of PRP lead RD/RA can be performed by TES, REM, ARCS, or other Federal agencies. Regions should seek payment of oversight costs in all such settlements, as well as past costs of RI/FS and other removal response costs. The status of the PRP's compliance with the AO or CD must be kept up-to-date in CERCLIS.

Section 106 Judicial Activity

Referrals for Section 106 action for RD/RA are an integral part of the Superfund Enforcement program because there is not enough Fund money to clean up all NPL sites. Given the number of RODs signed in FY88 and scheduled for FY89 even assuming a significant settlement rate, many sites will go without funding after the budgeted number of RDs and RAs are funded. These are presumed to be Section 106 judicial action referrals.

For PRP lead RI/FS, regions should plan that, absent settlement, these sites will be referred as Section 106 judicial actions. In addition, on Program lead RI/FS, regions should expect that where there are viable PRPs, absent settlement or funding, these sites will be referred as Section 106 actions. Section 106 actions are expected to become easier, given review of remedial decisions on the record, and the general success in motions for summary judgment on liability.

Cost Recovery

Cost recovery actions are one of the highest Enforcement program priorities in FY89. For each site ready for cost recovery (each completed removal, completed RI/FS, and each RA started), regions should have a completed PRP search and information about the viability of the PRPs; funds obligated/expended; removal, RI/FS and RD completion dates and RA start dates; and possible statute of limitations dates. The regions should have strategies that include the following elements:

- Where there are viable PRPs, costs should be documented and a demand letter sent as soon as possible;
- Referrals for all removals greater than $200K, RI/FS and RDs must be planned in order to be filed in court within one year, but in no event later than three years, from the date of completion, unless there was a Section 104(c)(1)(C) waiver or there clearly will be physical initiation of on-site construction of the RA within three years;

- Referrals for remedial activities should be planned in the year the RA began. If an RI/FS referral was conducted separately or there are no unreimbursed past costs, a referral should be initiated when RA funds have been expended;
- Where there is a partial settlement, an action against viable non-settlers should be pursued promptly; and treble damages should be pursued;
- Based upon relevant factors including ongoing case load, mandatory new referrals, and resources, the regions must develop and implement a strategy that includes follow-up on some cases less than $200K (referrals, arbitrations, etc.); and
- Close Out memorandums should be initiated for all cases when a decision not to pursue some or all costs has been made. The date of the Close Out memorandum and the funds that will not be recovered should be entered into CERCLIS.

Where there are not viable PRPs, regions must document this conclusion. Particularly for large RAs, the PRP search is to be reviewed and upgraded as necessary.

Negotiation of Interagency Agreements or other Federal agency compliance agreements should include a provision for recovery of past Fund expenditures, including EPA oversight costs.

As part of cost recovery management and preparation for civil referrals, regions should plan upgrading of PRP searches, assembly of administrative records, cost documentation, and demand letters. In addition, planning for RI/FS and RD/RA negotiations should include cost documentation of past removal and RI/FS costs. Finally, oversight cost recovery and accounts receivable must be managed.

State Enforcement

Regions are required to report progress on State Enforcement lead sites as they would any other site. This universe includes State Enforcement (SE) leads where there is Federally financed work performed by the state with a state enforcement component; work financed by the PRP under a state order with oversight paid for or conducted by EPA (PS-lead) and work financed by the PRP under a state order and no EPA oversight support or money is provided (SR). Funds for state oversight are provided through cooperative agreement (CA) or other comparable enforcement document. While it is recognized that information at SR lead sites is difficult to obtain, regions are requested to report, through CERCLIS, any information they have on these sites, particularly if it may contribute to the 175 and 200 RA start goals.

CHAPTER VI - FINANCIAL PLANNING AND MANAGEMENT

The primary focus of this chapter is to discuss the impact of the SCAP process on the regional operating budget and AOA.

The planned obligations identified through the SCAP process are the basis for the AOA issued by the Office of the Comptroller. **No monies will be issued to the region through the AOA process unless the appropriate obligation and commitment data are reflected in CERCLIS.**

SCAP'S RELATIONSHIP TO ANNUAL REGIONAL BUDGET

The SCAP process is the planning mechanism used by the Superfund program to identify pre-remedial, remedial, removal and enforcement funding needs for the fiscal year. The planned obligations included in the fourth quarter SCAP update (July) form the basis for the regional budgets for the next fiscal year.

The annual regional operating plan, and the associated budget, are a result of the HQ and regional negotiations on the proposed program budgets. Though regions are required to operate within their final negotiated annual operating budget, adjustments within this budget can be made during the fiscal year.

The actual allocation of funds is done through the Agency's Phase III Operating Plan. This plan is submitted to the Office of Management and Budget for apportionment of funds. After OMB review and concurrence, the Operating Plan is submitted to the Congress for approval of significant reprogramming of funds.

Prior to the beginning of the fiscal year, each region will be given a proposed budget allocation by program area. Final budgets will be developed upon completion of the fourth quarter negotiations between HQ and the regions. Planned obligations for regional activities must fall within the total identified budget levels, and should be shown by entering "approved" in the funding priority status data field. Regions are not required to plan their obligations to meet the budget development criteria for the separate activities. Funding needs above the HQ proposed total budget level must be designated as "alternate". This will allow HQ to see the regional funding priorities and what activities will not be performed as a result of lack of funds. HQ will not initiate negotiations with a region until the funds requested are within the proposed total budget levels.

Following is an explanation of the criteria used to develop the regional budgets.

Pre-Remedial Annual Regional Budget

In FY89, the outputs and dollars available for the pre-remedial program were reduced from the FY88 levels and are expected to be reduced further in FY90. The proposed pre-remedial budget for PA/SI was established based on the regional PA/SI targets. After negotiation, the final regional pre-remedial budgets are higher than the outputs being produced.

Remedial Annual Regional Budget

The total Superfund budget was reduced by Congress in FY89. These cuts were taken in the remedial action budget. The plan is to fund remedial action projects as they are ready to proceed. With this strategy, funds are available for those remedial action projects whose schedules are most certain -- those ready to start in the beginning of the year. All cuts in the RA budget will, therefore, be taken on projects scheduled to begin in the fourth quarter.

This strategy will be re-evaluated at mid-year to determine whether projects of environmental significance that would otherwise be ready to go will be slipped to next fiscal year in favor of less significant projects. Adjustments may be made at this point, both within and between regional RA budgets.

During the past three years, the cost of RI/FS for both operable units and for the whole site have almost doubled. One of the reasons for the continually escalating costs is that regional managers are paying insufficient attention to cost control. Another reason is the incremental funding of RI/FS. FY89 marks the second year of a three year initiative to ensure that no RI/FS projects are incrementally funded. Regional RI/FS budgets will be established during SCAP negotiations, and regions will be accountable for managing their agreed upon outputs within the final budget.

HQ will use the following procedures and ground rules to insure that RI/FS full funding and cost control initiatives are implemented within the budget ceiling:

- Fully fund (to project completion) all RI/FS yielding RA starts by the end of FY91. These RI/FS projects will not be included in the calculations for the regional allocation of the FY90 budget.
- Fund only FY89 needs of other projects started prior to FY89. The balance of the amount needed to complete these projects will be provided in FY90.
- Provide an average of $500,000 for first and subsequent operable unit starts in FY89. An additional $250,000 average will be provided in FY90. Total project costs will be limited to an average of $750,000 over the two year period. Total site costs will be limited to an average of $1.1 million.
- A small number of RI/FS have total projected costs in excess of $3.0 million. The budget figures include FY89 "minimum" needs for these projects, as identified by the regions. These projects will be addressed during the HQ/regional negotiations.

The criteria used to develop the other major portions of the regional budget are shown in Exhibit VI-1 on the following page.

Removal Annual Regional Budget

The national removal budget has grown slightly over FY88 to reflect the increased cost of removal actions. In FY89 each region was given a preliminary annual removal budget. Ninety-five percent of the total removal budget was distributed to the regions based on an average of previous years (FY85-FY88) allocations. The remaining 5% of the budget will be held in HQ as a regional contingency. Funds for management of the mini-ERCS contracts will also be allocated to the regions in FY89.

EXHIBIT VI-1

CRITERIA FOR PROPOSED REGIONAL REMEDIAL BUDGET DEVELOPMENT

ACTIVITY	CRITERIA
RI/FS	• Average $500K for first and subsequent starts in FY89 • Fully fund all RI/FS yielding RA starts by the end of FY91 • Fund FY89 needs of other projects started prior to FY89
RD	• Based on projects and dollars in CERCLIS. Projects without estimates were budgeted at $750K
RA	• Based on dollars and schedules in CERCLIS.
PROJECT SUPPORT	• Based on a share of each region's remedial targets and dollars
TECHNICAL ASSISTANCE GRANT	• Based on the number of NPL sites with remedial work on-going in FY89
CORE PROGRAM COOP. AGREEMENT	• Based on actual and planned Core Program Cooperative Agreement obligations in FY88
PRP RD/RA OVERSIGHT	• Based on the region's share of PRP RD and RA projects
ARCS MANAGEMENT	• Based on the number of ARCS contracts projected for each region in FY89

Enforcement Case Budget -- Annual Regional Budget

Case Budget (CB) funds will be apportioned to the regions based on the annual targets and measures and the region's financial planned amounts reflected in the CERCLIS and CERHELP site and non-site data bases. Each activity has a pricing factor that is used during the allocation process. These factors are itemized in Exhibit VI-2. Activities whose duration is less than one year are fully funded (e.g., PRP search, negotiations, removal oversight, long-term response, Section 107 administrative.) Activities with a duration exceeding one year are funded quarterly (e.g., RI/FS Oversight, Section 106 and 107 litigation.) Other priority activities (administrative record, Federal Facility NPL listing support, state management assistance, and preliminary natural resource surveys) are added to this calculation . Allocations will be reviewed and adjusted quarterly based on changing targets and the number of quarters remaining in the current fiscal year.

EXHIBIT VI-2

OWPE FY89 EXTRAMURAL PRICING FACTORS
(in thousands)

ACTIVITY	FULL PRICING FACTOR	QUARTERLY PRICING FACTOR*	DURATION (in Quarters)
PRP SEARCH (NPL)	50.0	-	3
PRP SEARCH (REMOVAL)	1.3	-	1
§107 REFERRAL	112.0	8.0	14
§107 ADMINISTRATION	12.0	-	2
RD/RA NEGOTIATIONS	30.0	-	3
§106 REFERRAL (COMBINED§106/§107)	280.0	20.0	14
RI/FS NEGOTIATIONS	50.0	-	2
RI/FS OVERSIGHT	200.0	20.0	10
SUBSEQUENT RI/FS OVERSIGHT	200.0	20.0	10
NPL REMOVAL OVERSIGHT	50.0	-	3
SUBSEQ NPL REMOVAL OVERSIGHT	50.0	-	3
NON-NPL REMOVAL OVERSIGHT	50.0	-	1
SUBSEQ NON-NPL REMOVAL OVERSIGHT	50.0	-	1
FF RI/FS OVERSIGHT	200.0	20.0	10
FF RD OVERSIGHT **	150.0	-	3
FF RA OVERSIGHT **	300.0	30.0	10
IAG NEGOTIATIONS	50.0	-	2
PRELIM. NATURAL RESOURCE SURVEY	6.0	-	1
NBAR	3.0	-	2

* Activities of more than 4 Quarters duration may not receive full funding in FY89.
** TES 3 & 4 contracts will fund ongoing RD/RA oversight.

SCAP'S RELATIONSHIP TO THE AOA

Within the SCAP process, obligations are planned either site or non-site specifically. That is, some planned obligations are associated with a specific site while other planned obligations are estimates of total funding required for an activity within a region. The CERCLIS and CERHELP data bases have been designed to accommodate site- and non-site specific planning. Exhibit VI-3 lists the events and enforcement activities for which obligations are planned on a site vs. non-site basis.

EXHIBIT VI-3

SITE VS. NON-SITE SPECIFIC PLANNED OBLIGATIONS

Site Specific

- Community Relations
- Design Assistance
- Expedited Response Actions
- Federal Facility Oversight
- Forward Planning
- Geophysical Support/ Topographical Mapping (Over $50K or funded through IAG or CA)
- Litigation Support
- Long Term Response
- Management Assistance
- Negotiations
  - -- IAG
  - -- RD/RA
  - -- RI/FS
- Operation and Maintenance
- Oversight of PRP:
  - -- RI/FS
  - -- RD
  - -- RA
  - -- Removals
- RA
- RD
- RI/FS
- Removals
- Technical Assistance
- Technical Assistance Grants
- Workplans

Non-Site Specific*

- ARCS Contractor Management
- Administrative Record Backlog
- Aerial Surveys
- Core Program Cooperative Agreements
- Geophysical Support/ Topographical Mapping (Less than $50K)
- Mini-ERCS Management
- PRP Searches
- Preliminary Assessment/ Site Inspection
- Preliminary Natural Resource Surveys
- Records Management
- State Enforcement Management Assistance
- Training

* For these activities, regions must enter the number of sites involved and the contract vehicle.

In addition to the site and non-site specific planning, obligations are also planned and budgets developed on a program specific basis. The Budget Source field in CERCLIS identifies which program pays for the planned events/activities. Exhibit VI-4 presents the budget source codes associated with each program.

EXHIBIT VI-4

BUDGET SOURCE CODES

E = Enforcement **N** = HQ Enforcement

V = Removal **M** = HQ Removal

R = Remedial **D** = HQ Remedial

It is important that regions accurately identify the budget source since each program develops an annual budget and each program has a separate AOA process. Exhibit VI-5 identifies the major events/activities and the appropriate budget source codes, depending on the project/event lead, for planned obligations. In general, TES 3 and 4 funds should be given a budget source of "N" instead of "E". Funds for temporary or permanent relocations conducted by FEMA should be given a budget source of "M" or "D" after the IAG is signed and funds are transferred to HQ through the change request procedures. Funds for mixed funding RDs and RAs are obligated by HQ and should have a budget source of "D". It is important that the regions maintain this budget source code to eliminate potential impacts on the regional AOA.

CERHELP includes an AOA system that identifies the Comptroller approved AOA. HQ enters the official AOA numbers. Use of this data file allows regions to compare their aggregate planned obligations, provided on the AOA report, with the HQ version of the "Official AOA". If discrepancies between the two occur, regions must initiate contacts with the appropriate program office and the Office of Program Management (OPM) to determine the reason for the variance.

EXHIBIT VI-5

WHO PAYS FOR WHAT

EVENT/ACTIVITY	CERCLIS/CERHELP EVENT/ACTIVITY CODES	LEAD	BUDGET SOURCE
ARCS Management	AR	-	R
Core Program Cooperative Agreement	SC	S	R
ERA(Historical)	ER	F	R
LSI	ES/LI	S	R
Litigation			
Section 106	SX	FE,SE	E,N
Section 107	SV	FE,SE	E,N
Section 106/107	CL	FE,SE	E,N
Mini-ERCS Management	PM	-	V
Negotiations(including development of site workplans)			
Removal	RN	FE,SE	E,N
RI/FS	FN	FE,SE	E,N
RD/RA	AN	FE,SE	E,N
PA/SI	PA	S	R
PRP Searches			
Removal	RP	FE,SE	E,N
Remedial	PS	FE,SE	E,N
Project Support*			
Aerial Surveys	AS	F,S,FE,SE,MR PS,RP	R E,N
Administrative Record	AR	F,S,FE,SE,MR PS,RP	R E,N
Community Relations	CR	F,S,FE,SE,MR PS,RP	R E,N
Design Assistance	DA	F,S,MR PS,RP	R E,N
Forward Planning	FP	F,S,SE PS,RP	R E,N
Geophysical Support	GS	F,S,FE,SE,MR PS,RP	R E,N
Health Assessment	HA	F,S,FE,SE PS,RP	R E,N
Long Term Response	LR	F,S,MR PS,RP	R E,N
Management Assistance	MA	F,FE,MR RP	R E,N
Operation & Maintenance	OM	F,S,MR PS,RP	R E,N
Preliminary Natural Resource Surveys	PN	PS,RP	E,N

*Guidance on assigning leads for project support activities is found in Chapter V.

EXHIBIT VI-5

WHO PAYS FOR WHAT (Cont'd)

EVENT/ACTIVITY	CERCLIS/CERHELP EVENT/ACTIVITY CODES	LEAD	BUDGET SOURCE
Public Comment on Deletion Package	PD	F,S,MR RP,PS	R E,N
State Enforcement Management Assistance	EM	PS	E,N
Technical Assistance	TA	F,S,FE,SE,MR PS,RP	R E,N
Technical Assistance Grants	TG	ALL	R
Topographical Mapping	TO	F,S,FE,SE,MR PS,RP	R E,N
Removal	RV,IR,PR	F,S	V
Contingency	RC	F	V
NPL	NP	F	V
Non-NPL	NA	F	V
Oversight of PRP removals	RV,IR,PR,OS	RP	E,N
RI/FS	RI,FS,CO	F,S,FE,SE	R
Oversight of PRP or Federal Facility RI/FS	RI,FS,CO	RP,PS,FF	E,N
RD	RD	F,S MR	R D
Oversight of PRP or Federal Facility RD	RD	RP,PS,FF MR	E,N R
RA	RA	F,S MR	R D
Oversight of PRP or Federal Facility RA	RA	RP,PS,FF MR	E R
Records Management	RM	-	E,N,R
Temporary Relocation			
Remedial	TR	F,S,MR	R
Removal	TR	F,S	V

*Guidance on assigning leads for project support activities is found in Chapter V.

Regional Allowances

In FY89, the Office of the Comptroller will issue five allowances to the regions. They are:

- RA (site-specific site allowance);
- RD (site-specific site allowance);
- Removal (non-site specific site allowance);
- Other remedial with an RI/FS ceiling (regular or "O" Allowance); and
- Enforcement (regular allowance).

OERR and the Office of the Comptroller are still working on changing the Advice of Allowance structure. Regions will be informed of any changes prior to implementation..

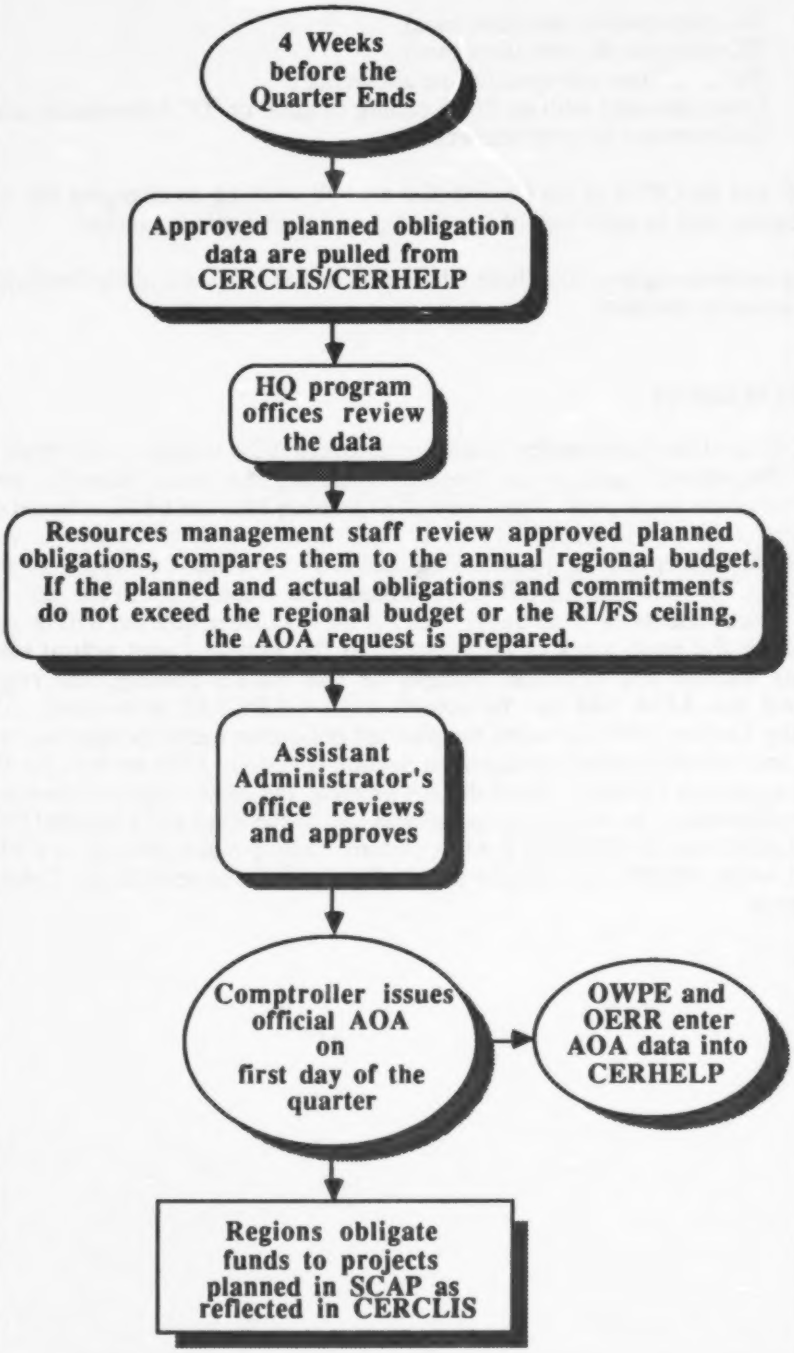
The following sections explain how these allowances are developed and the flexibility available in the Advice of Allowance structure.

The AOA Process

The Office of the Comptroller issues the quarterly AOA usually on the third working day of each quarter. The AOA is based on the Phase III Operating Plan which identifies projected obligations for each quarter of the fiscal year. The Phase III Operating Plan for FY89 is based on the final SCAP plans developed in the fourth quarter of FY88. Funds available for obligation, however, are limited to projected needs for the upcoming quarter. Regional AOAs are based on approved planned obligations contained in the CERCLIS and CERHELP data bases four weeks prior to the start of each quarter. An AOA report, which reflects the final SCAP plan for the upcoming quarter, will be generated from CERCLIS during the ninth week of the quarter. **If the planned and actual obligations and commitments exceed the regional budget or the RI/FS ceiling, the region will be contacted and the AOA will not be issued until CERCLIS is revised.** The HQ Budget and Forecasting Section (BFS) forwards the planned obligation totals for regional response activities to the Financial and Administrative Management Section (FAMS). After review, the FAMS sends the AOA request to the AA OSWER. From the AA's Office, the AOA request is forwarded to the Office of the Comptroller where the AOA is prepared and sent to the Regional Financial Officer. HQ will enter the final AOA into the CERHELP AOA system. Only projects planned in CERCLIS can be funded by the AOA. OWPE has a similar process for the Enforcement AOA. Exhibit VI-6 illustrates the AOA process.

EXHIBIT VI-6

THE ADVICE OF ALLOWANCE PROCESS


4 Weeks before the Quarter Ends
Approved planned obligation data are pulled from CERCLIS/CERHELP
HQ program offices review the data
Resources management staff review approved planned obligations, compares them to the annual regional budget. If the planned and actual obligations and commitments do not exceed the regional budget or the RI/FS ceiling, the AOA request is prepared.
Assistant Administrator's office reviews and approves
Comptroller issues official AOA on first day of the quarter
OWPE and OERR enter AOA data into CERHELP
Regions obligate funds to projects planned in SCAP as reflected in CERCLIS

The HQ Budget Division monitors obligations against the AOA weekly. If a region exceeds any of the allowances, the RI/FS ceiling or a site-specific RD or RA allocation, the HQ Budget Division will notify the region and request resolution of the overcommitment/overobligation. The region then has until the end of the current month to rectify the overcommitment/obligation or shut down procedures will be initiated.

If the region does not submit a change request, decommit or deobligate funds, or effect corrections in FMS as necessary, the HQ Budget Division will initiate reprogramming from the region's regular or other remedial allowance. Repeated violations for site or allowance allocations may result in partial or total withdrawal of the region's site allowance.

As is standard Agency policy, if a region exceeds either the regular or site allowance, the HQ Budget Division will withdraw obligational authority in accordance with existing procedures. During the last quarter of the year, the HQ Budget Division will work with the regions and OSWER as necessary to ensure that all allowances and obligations are aligned prior to year-end closing.

AOA Flexibility

Flexibility exists within the AOA structure to shift funds both within and between allowances. Funds can be shifted within the other remedial allowance and within the RI/FS ceiling. However, the RI/FS ceiling cannot be exceeded without HQ approval of a SCAP amendment.

Funds saved within the site-specific RD account due to PRP takeovers, or due to bids coming in under the previously projected amount, will generally be approved by HQ for use within the region consistent with the following priorities:

- Classic emergencies;
- Funds necessary to conduct oversight of PRP settlements;
- Other RD/RA projects; and
- Removal actions at NPL sites.

Regions must submit a SCAP amendment and AOA change request to HQ prior to shifting the RD funds saved.

Given that Congress reduced RA funding for FY89, approval of the redirection of RA funds to other program needs is highly unlikely. If a region is able to save RA money (through a PRP takeover, or a bid coming in under budget) HQ will look favorably toward directing that savings to other environmentally significant remedial actions within the region, after consideration, however, of national environmental needs, and the national needs to meet the 175 statutory mandated RA starts. Once again, a SCAP amendment and change request must be approved before the RA funds can be redirected.

AOA Change Request Procedures

Regions are required to operate within their quarterly AOA, RI/FS ceiling and their annual regional budget. They are also responsible for managing the funds issued in the AOA. HQ approval is not required to shift funds between projects within the other remedial, RI/FS ceiling, removal or enforcement portions of the AOA. Any shifts of funds between allowances, any addition or deletion of funds from any of the allowances and a planned increase to the RI/FS ceiling requires HQ approval through the SCAP amendment and adjustment procedures. (See Chapter V for more detail on amendments and adjustments.) CERCLIS must be revised to reflect shifts in funds between projects and AOA change requests.

Each change request (EPA Form 2410-20) should clearly identify the changes being made to the allowance. If the change is in the RD or RA allowances, the site/spill identification number, OU, and event must be on the change request form. Each change request should equal a net change of zero dollars and provide an explanation as to why funds are being shifted. The change request must be signed by authorized personnel in the region's financial office. The change request is submitted to the appropriate OSWER Office Director by memorandum from the Regional Division Director and a copy of the change request should be sent to the Superfund Branch Chief in the HQ Budget Division. The site-specific record in CERCLIS should be revised at this time. After OSWER approval, the change request is submitted to the Office of the Comptroller for review and execution of the revised AOA. Regions should not initiate any obligations against the change until confirmation is received from the Office of the Comptroller.

Change requests submitted to HQ can be processed and a revised allowance issued mid-month or the first of the next month. In emergency situations, the Office of the Comptroller can issue a hand allowance as soon as the change request is approved.

Remedial Financial Planning for AOA

The AOA for the remedial program is issued by the Office of the Comptroller on a site and non-site specific basis and is broken down into the following categories:

- RD (site-specific);
- RA (site-specific); and
- Other remedial.

The other remedial allowance includes RI/FS, site specific and non-site specific program and project support activities, and oversight of PRP-lead RDs and/or RAs. Site-specific planned obligations are entered directly into CERCLIS in the appropriate event record for the site. At this time, the planned obligation date, amount, contractor vehicle, budget source and priority funding status are to be entered. The regional other remedial AOA is the total of the approved site specific or non-site specific planned obligations in CERCLIS and CERHELP with a budget source code of "R". When the other remedial allowance is issued a ceiling will be placed on the funds that can be obligated for new and ongoing RI/FS projects. This ceiling cannot be raised without HQ approval. HQ will monitor the status of planned and actual RI/FS obligations on a monthly basis. CERCLIS will automatically aggregate the site-specific and non-site specific planned obligations for the purpose of developing and issuing the AOA and establishing the RI/FS ceiling.

Unlike the RI/FS, the Office of the Comptroller issues the AOA for RD and RA activities on a site-specific basis. The AOAs for RD and RA are pulled directly from the approved site-specific planned obligations in CERCLIS and are issued by site name, site/spill identifier and dollar amount.

A region will not receive funds above its annual regional budget unless a SCAP amendment and change request has been approved by HQ. **Each quarter the actual and approved planned obligations and actual commitments must be less than or equal to the annual regional budget and the RI/FS ceiling or the AOA will not be issued.**

If a region receives funds in their AOA which were not obligated during the quarter received, the relevant planned obligation data in CERCLIS must be changed. At the end of each quarter HQ will review the AOA funds remaining, commitments and obligations made and planned obligation data. If

AOA funds were not committed or obligated and the planned obligation data were not changed, HQ will take the following actions:

- Reduce the next quarter's AOA for other remedial funds by the amount that was not committed or obligated; or

- Request that regions follow the Office of the Comptroller's change request procedures to return RD or RA funds to HQ.

The Financial Summary Report (SCAP-15) will be used to evaluate the status of the other remedial, RD and removal allowances. The Projected Fund-Financed Remedial Projects Report (SCAP - 3) will be used for the RA allowance.

To the maximum extent practicable, regions should plan for mixed funding requirements prior to the development of the annual regional budget. However, if a request for pre-authorization is received and funds are required during the current fiscal year, regions must identify the source of the requested funds from within their annual budget. Since the authority to obligate Fund monies to mixed funding activities has not been delegated to the regions, the change request procedures will have to be followed to return approved pre-authorized funds to HQ and the budget source for the planned obligation will have to be revised in CERCLIS.

Removal Financial Planning for AOA

Five weeks prior to the start of the SCAP current year quarter, the region prepares a plan for the upcoming quarter using the quarterly regional budget as a guide. This plan serves as the basis for issuing the Removal AOA. This plan includes new actions scheduled to begin during the upcoming quarter as well as ongoing actions where additional funds are needed. The region then has to decide, in the context of its remaining budget for the year, how much it can afford to do during the quarter. The region must also plan, in the non-site/incident portion of CERCLIS, an adequate contingency for emergency actions.

OWPE CASE BUDGET PROCESS

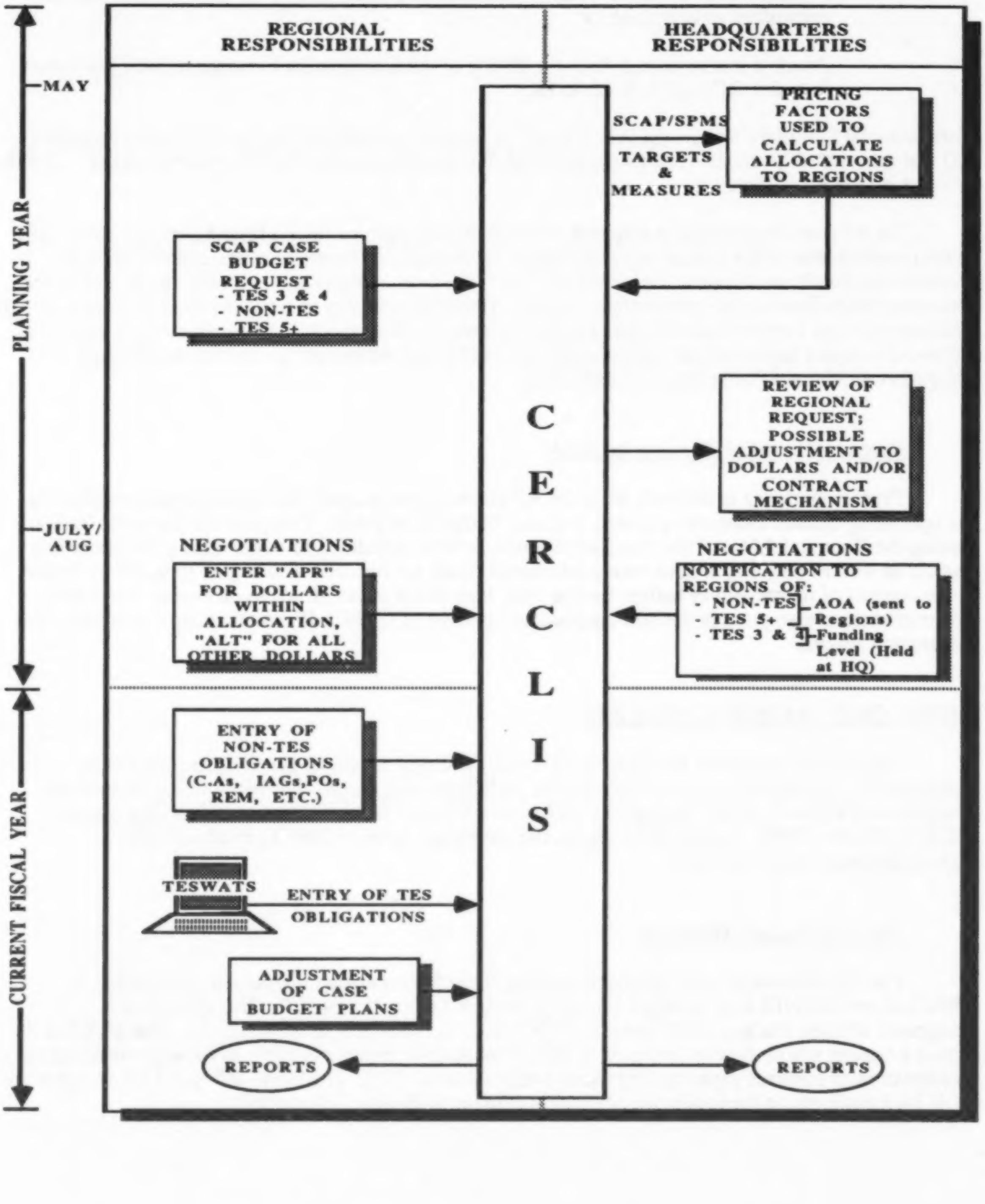
This section describes the Case Budget (CB) strategy, financial planning requirements, budget/AOA, allocations, contract mechanisms including delegations, activities/pricing factors and integration of CERCLIS and Technical Enforcement Support Work Assignment Tracking System (TESWATS) for FY89. Exhibit VI-7 shows the interaction between the regional and HQ responsibilities for CB data flow.

The Case Budget Allocation

The CB allocation is the approved funding for enforcement activities/events identified in CERCLIS or CERHELP as having a Financial Budget Source "E" or "N". The allocation is comprised of three Budget/AOA types: 1) TES 3 & 4; 2) Non-TES; and 3) TES 5+. The TES 3 & 4 type is a budget whose funding remains in HQ for obligation and is available to the regions based on an allocation of contract capacity (Financial Budget Source "N"). The Non-TES and TES 5+ types are an AOA transferred to the region for obligation (Financial Budget Source "E").

EXHIBIT VI-7

CASE BUDGET DATA FLOW


REGIONAL RESPONSIBILITIES
HEADQUARTERS RESPONSIBILITIES
MAY
PLANNING YEAR
JULY/ AUG
CURRENT FISCAL YEAR
C E R C L I S
SCAP/SPMS
TARGETS & MEASURES
PRICING FACTORS USED TO CALCULATE ALLOCATIONS TO REGIONS
SCAP CASE BUDGET REQUEST
- TES 3 & 4
- NON-TES
- TES 5+
REVIEW OF REGIONAL REQUEST; POSSIBLE ADJUSTMENT TO DOLLARS AND/OR CONTRACT MECHANISM
NEGOTIATIONS
ENTER "APR" FOR DOLLARS WITHIN ALLOCATION, "ALT" FOR ALL OTHER DOLLARS
NEGOTIATIONS
NOTIFICATION TO REGIONS OF:
- NON-TES
- TES 5+
AOA (sent to Regions)
- TES 3 & 4
Funding Level (Held at HQ)
ENTRY OF NON-TES OBLIGATIONS (C.As, IAGs,POs, REM, ETC.)
TESWATS
ENTRY OF TES OBLIGATIONS
ADJUSTMENT OF CASE BUDGET PLANS
REPORTS
REPORTS

Financial Planning Requirements

The following guidance is provided to assist the region in fulfilling the CB strategy and to identify needs not addressed by the average pricing factors. Financial planning data will be entered in both the CERCLIS and CERHELP data bases.

There is a growing disparity between the amount of dollars the regions have obligated/tasked and the amount that has been disbursed (outlayed). There are many factors that have contributed to this problem; progress of response by PRPs, obligating/tasking amounts in excess of requirements for the current fiscal year (i.e., not adhering to quarterly funding methodology), and obligating/tasking oversight assignments prior to the signing of settlement documents. These actions have contributed to both a contract capacity problem and the realtime disbursement (utilization) of CB funding.

The region must review the financial status of each ongoing Work Assignment (WA) (i.e., approved budget hours/dollars and expected outlays by the end of FY88) prior to requesting additional incremental funding for FY89. The total carryover needs for FY89 for TES 3 and 4 (i.e., total WAs issued in FY88 [approved budgets] - total estimated outlays in FY88 = total carryover for FY89) will be posted in the non-site specific data base as a first quarter planned amount. The carryover will be entered as an "Other" activity (Financial Budget Source "N"), using the financial comment field to identify the record as TES 3 or 4 carryover. In addition, new start activities must be analyzed to determine whether quarterly (incremental) or full funding is appropriate, depending on the type of assignment.

It is acknowledged that there are sites where, due to their complexity or size, the application of average pricing factors results in a substantial underestimation of required resources. To address this issue in the budget process, the region will identify events/activities that are expected to exceed the pricing factor by greater than 100% (i.e., 2x the pricing factor). Two financial records must be created; one record will contain the dollars above the pricing factor coded as "ALT" in the financial funding status, a second record will contain the pricing factor dollars coded as "APR" in the financial funding status. The rules for full or quarterly funding also apply here.

There are some events/activities, such as a second PRP search, which are not captured in the target/pricing factor methodology. To address this issue, the region will create one financial record containing the estimated dollars coded as "ALT" in the financial funding status.

Dollars coded as "ALT" will remain in that status until one of two things occurs: 1) The regions CB allocation will support those needs; or 2) additional funds are received by OWPE and allocated to the regions.

Regions that use "TBDs" to target activities/events must create a financial record with the appropriate CB planned dollars.

The non-site data base, CERHELP, can be used for CB planning for activities that are non-site-specific. Examples of these are administrative records (backlog), state enforcement management assistance, PNRS, records management, and training. Records that apply to more than one site must indicate the number of sites. Those activities where there is a change in lead, state, financial planned quarter, or financial vehicle will require multiple activities records.

It is imperative that the region complete an entry for the Contract Vehicle (contract mechanism) on each record where there is a request for CB dollars. TES 3 or 4 must be identified. TES 5+ will be identified as "TES" until the new contracts are awarded. IAGs will be identified for a specific agency in the financial notes field until agency-specific codes are reestablished as a funding vehicle.

Fiscal Delegation/Management

In FY88 the fiscal responsibilities and contracts management functions were delegated to the regions, making them responsible for obligating funds for all actions except generic obligations to TES 3 and TES 4. This includes mechanisms such as CAs, contracts, and IAGs (e.g., small purchases, ARCS, regional contracts, TES 5+ contracts, and REM)). The region must request a quarterly AOA from OWPE four weeks prior to the start of the quarter for all contract mechanisms (funding vehicles) other than TES 3 and TES 4 (TES 3 will expire on June 30, 1989 and TES 4 on September 30, 1989). These requests should coincide with the planned budgets in the Budget/AOA portion of the non-site specific data base maintained by HQ. A quarter's AOA will be subject to adjustment based on the funds remaining in the regional AOA.

If a regional non-TES obligation is made and is not going to be expended in that year, the funds can be deobligated and will revert back to that region's AOA. If the deobligation occurs after the fiscal year, the funds become part of the national carry-over. Efforts should be made to deobligate funds, if necessary, within the same fiscal year.

Contract Management Delegation

For all TES contracts, Project Officer (PO) approval authority for WAs has been delegated to the Regional POs (RPO). With respect to the SCAP process, this involves two items. First, the regions are responsible for assuring that all required information is completed correctly to track the transaction in TESWATS and CERCLIS. The WA form, produced by TESWATS, has been designed to provide fields for EPA ID#, Event and Enforcement activity codes, and OU #.

Secondly, the regions will be given a combined budget for TES 3 & 4 contracts. The budget break down between TES 3 and 4 will be transmitted by memorandum to the regions. Decisions must be made within the regions on which projects should be completed by TES 3 & 4 contractors and which through Non-TES or TES 5+ means, without exceeding their total Case Budget allocation. Any changes must also be made in CERCLIS. WA numbers will be issued in the regions when the WA is originated. These numbers are critical in matching obligations. Regional extramural technical case support taken under Department of Justice (DOJ) IAG will be subtracted from the regional budget.

Interagency Agreements

The regions were delegated general Interagency Agreements (IAG) obligation and Project Officer (PO) authority in FY88. In addition, HQ maintains a national IAG with the Department of Justice (DOJ), the U.S. Army Corps of Engineers (USACE), the U.S. Geological Survey (USGS) and the U.S. Fish and Wildlife Service (USFWS). The HQ IAGs with the USACE, USGS, and USFWS will be closed out at the end of FY89.

Interagency Agreements for Technical Assistance

Final draft guidance was sent to the regions on Interagency Agreements (IAGs) for technical assistance in February 1988. This guidance detailed processes and procedures for obtaining technical assistance from the USACE, USGS, and USFWS. This guidance will become final on October 1, 1988, in a joint document with OERR entitled "Regional Processing of Superfund IAGs". Technical assistance from these agencies will be provided through a site-specific IAG. The EPA RPM will plan for USACE, USGS, and USFWS support through the site specific data base of CERCLIS, under the appropriate event or enforcement activity. Upon receipt of the signed IAG, the actual obligations and their corresponding AN and DCN must be entered into CERCLIS. IAGs that support enforcement activities will have to post the AN and DCN in the financial notes until CERCLIS is modified.

Interagency Agreements for Preliminary Natural Resources Survey

Final draft guidance for Preliminary Natural Resource Survey (PNRS) IAGs was sent to the regions in February 1988. This guidance detailed process and procedures for initiating PNRS with the National Oceanic and Atmospheric Administration (NOAA) and/or the Department of the Interior (DOI). This guidance will become final on October 1, 1988 in a joint document with OERR entitled "Regional Processing of Superfund IAGs". PNRS with these agencies will be provided through a generic IAG. Planning for these activities is through the non-site specific data base of CERCLIS. If the region expects to conduct surveys with both DOI and NOAA, then two planning records will be required in the CERHELP data base. Actual obligations will be posted in the non-site specific data base. The region should use $6K per site to estimate funding requirements.

Department of Justice

EPA HQ maintains a national agreement with the DOJ/Land and Natural Resources Division (LNRD) to provide legal representation and associated support services on behalf of EPA for all matters arising from or related to CERCLA and SARA. Support services are defined as expert witness and automated litigation services. DOJ/LNRD maintains a base level budget for legal representation services. The purpose of this section is to provide the regions with a forward planning process that will identify needs for these services. EPA HQ will transfer funding to DOJ based on those estimates. The region's Non-TES budget will be reduced by HQ in the amount transferred to DOJ. The region will delete their planned financial records when they are notified by HQ that the transfer has been complete.

DOJ will provide expert witness (EW) for referred cases. The regions will coordinate the planning for expert witness with the Office of Regional Counsel (ORC) and DOJ/LNRD. The region should plan for the experts under the appropriate enforcement activity (i.e., Section 106, Section 107). The funding vehicle would be IAG and DOJ, "EW" must be posted in the financial notes field.

DOJ may provide automated litigation support (ALS) for referred cases. This support and use of EPA regional funds is discretionary and is based on the requirements for a particular case. The regions must coordinate the planning for ALS with the ORC and DOJ/LNRD. The region should plan for the ALS under the appropriate enforcement activity (Sections 106, Section 107). The funding vehicle would be IAG and DOJ, ALS must be posted in the financial notes field.

EPA HQ will pull this planning data on October 29, 1988 and on April 29, 1989. Those funds will be transferred to DOJ and the region's Non-TES budget will be reduced by an equivalent amount. The Director OWPE CERCLA Enforcement Division will manage this account.

8(a) Contracts

Regions are encouraged to use 8(a) minority contractors whenever alternatives to TES or other contracts are needed. Historically, 8(a) contractors have been used primarily for PRP searches. They can, however, be used for oversight support, records management, sampling and other activities. Use of 8(a) contractors is not limited to any particular type or activity.

Funding for 8(a) requests will be included in the regional AOA, which will cover all non-TES 3 and 4 CB needs. Requests for 8(a) contract dollars should be made through the usual SCAP process; i.e., they should be entered into CERCLIS site-specifically using 8(a) contract spending, though requests should fall within the appropriate activity pricing factors.

Activity/Event Budget Pricing Factors

PRP Search/Non-Binding Allocation of Responsibility

These two line items are meant to capture the notice letter support, financial assessment, record compilation, title search, de minimis determination, and Non Binding Allocation of Responsibility (NBAR) allocations. The PRP search for remedial activities is budgeted at $50K. The PRP searches for large removals are estimated to cost $13K. For small removals where the owner or operator is known or where cost recovery litigation is a low priority, the PRP search dollars may be closer to $1.3K.

The CERCLIS Enforcement Activity Code 'RP' should be used for removal searches. Enforcement Activity Code 'NS' should be used for remedial search activities. Regions are encouraged to initiate PRP searches using 'NS' when the initial scoring predicts the site to be listed on the NPL. Continuing PRP search activities, after the PRP search has formerly been designated as completed should be coded as a second PRP search. NBAR should be used for allocation type categories (i.e., NBAR, Non-Binding Preliminary Allocation Responsibility (NPAR), de minimis). The lead for these activities should be designated as RP or SE.

RI/FS Negotiations

These dollars represent the funds for negotiations including support for negotiation meetings and developing negotiation support documents (e.g., a detailed scope of work, forward planning and records compilation) and the issuance of administrative or consent orders. The dollars allocated to this category are generally limited to $50K. These funds are not expected to support the entire scoping activities and workplan development of a Fund-financed RI/FS. In addition, separate WAs must be initiated for the RI/FS Negotiation (FMS Activity Code "B") and one for the Oversight of a PRP RI/FS (FMS Activity Code "P"), to allow for the tracking and cost recovery of the oversight costs.

Oversight

The FY89 budget pricing factors for PRP oversight are as follows: $50K for removal, and $200K for RI/FS. Oversight of PRP RD and RA will be funded by the Response program through the AOA process in FY89. These projects should be given a budget source code (C3229) of "R". An exception to this is ongoing PRP RD or RA oversight using TES 3 and 4 contracts. Planned obligations under these contracts should be given a budget source code of "N" (HQ Enforcement). The pricing factors are expected to provide oversight support for the duration of the activity. RI/FS are budgeted to be ongoing for ten quarters, RAs for ten quarters, and RDs for three quarters. It is important to note that oversight costs vary from project to project and these pricing factors represent an average. TES WAs or other funding vehicles should not be processed until the settlement document is signed (consent order by PRPs and regions; CD by DOJ) to avoid having funds and contract capacity tied up for anticipated rather than actual needs. Dollars should not be put into the ROD line item. Enforcement support during the ROD preparation should be included in the RI/FS event for PRP lead sites or with the RD/RA negotiations activity for other leads.

For PRP removal oversight, TES capacity needs should be listed on the non-site specific portion of SCAP. Generic assignments can be submitted to the CO in advance for emergency removals only. Advance submission will allow the assignment to be activated immediately after the order is signed. The CO will hold the assignment until the regional PO notifies the CO that the order has been signed by EPA. To activate the assignment they will need the site name and the 12 digit EPA ID#, the site/spill ID#, CERCLIS event code and OU#.

RD/RA Negotiations

The pricing factor for RD/RA negotiations for FY89 is $30K. Review of a PRP remedy or PRP comments to a recommended remedy, is generally included in the response to public comments in the RI/FS budget. This category is mainly for negotiation sessions and responses to additional PRP inquiries. Any cost associated with issuing unilateral AOs at these sites is also included in the $30K pricing factor. In addition, separate WAs must be initiated for the RD/RA Negotiation (FMS Activity Code "B"), one for the oversight of PRP RD (FMS Activity Code "P"), and one for the oversight of the RA (FMS Activity Code "P") to allow for the tracking and cost recovery of the oversight costs.

Operation and Maintenance/Long Term Response (O&M/LTR), Deletion

The budget for O&M/LTR for FY89 is $40K per year per site. The CB for deletion of PRP lead activities is combined with the activity preceding deletion.

Section 106 Judicial Litigation without Settlement

There is a $20K budget for case development and $246K for litigation support for cases referred to DOJ. For planning purposes it is assumed that litigation will be ongoing for 3 years. The $246K is for the 3 year period.

Section 107

Cost recovery is a budget activity for FY89. Costs are estimated at $12K for administrative recovery and $113K over 3 years for judicial cost recovery per new site.

Community Relations

The CB is used to pay for Community Relations (CR) for removal and other remedial events when a PRP-lead is expected for the response. The community relations plan should be funded concurrently with negotiations. Funds for a community relations plan can be combined with the TES WA funding the negotiations, or it can be a separate funding action. CR implementation should be funded concurrently with the oversight of PRP response and, again, can be combined with the oversight funding in one WA, or funded separately.

CR funding may be requested either site-specifically or non-site specifically. CR obligations, however, must be made site-specifically. If funding is requested non-site specifically, the requested amount must be reduced as site-specific obligations occur.

Separate CR records are always entered into CERCLIS as Events. Those associated with remedial response activities are entered as "CR." Those associated with removal response activities are entered as "RC." Specific elements of CR work (e.g., CR plan, CR implementation, revised CR plan, etc.) which used to be funded individually, are not entered as separate events, but are considered subevents to the CR or RC record. Funds cannot be specified for subevents. The enforcement CB does not fund CR activities at Federal, State, or FE lead sites. The lead for CR funded by the CB should be "RP".

State Activities

The FY89 OWPE CB includes $5 million to support enforcement Cooperative Agreements (CAs) with States. This money is intended to: 1) fund State support activities during EPA-lead enforcement actions; and 2) conduct State-lead enforcement actions (SE-lead) or oversight (PS-lead). These resources will be distributed to each region through the OWPE Advice of Allowance. Specifically, state enforcement CAs should be used to fund the following state activities:

- PRP search and notice;
- Negotiations;
- Administrative or judicial enforcement;
- Oversight of PRP response (RI/FS, RD, RA); and
- Participation in site specific activities where EPA has reached a settlement agreement with the PRPs.

Funds for state enforcement CAs are not intended to provide states with resources to:

- Conduct state-lead RI/FS, RDs, or RAs. Dollars for these events are allocated by OERR;
- Oversee PRPs at Federal-lead sites. Dollars for oversight of PRP response are generally allocated from the TES contracts; or
- Award CR technical assistance grants. Funds for these are allocated by OERR.

Three priorities have been established to help guide the regions in planning enforcement CA resource needs in FY89. The priorities are consistent with EPA's responsibility to meet statutory RA start requirements and with the Agency's policy of encouraging state involvement in CERCLA enforcement activities. Accordingly, the regions should, when possible, use CAs to fund state management assistance and state-lead enforcement activities at sites in each of the following categories:

- Sites counting toward the 175 RA start mandate;
- Sites counting toward the 200 RA start mandate; and
- Sites in which states have shown strong enforcement interest (primarily state-lead sites).

While the first two categories represent the highest funding priorities, all states are eligible for CA funding even if they do not contain sites that contribute to the RA start mandates. Regions with either state-lead enforcement sites that will not contribute to the mandate or with states actively interested in participating in CERCLA enforcement as the lead for an NPL site should attempt to use state enforcement CAs. Regions with sites that will contribute to the RA mandates are encouraged to use CAs that fall into the third category as well.

Funding requests for state management assistance during Federal lead enforcement activities should be made non-site specifically. A separate non-site specific record should be entered to show total management assistance requests by state. Funding requests for all state-lead enforcement activities or oversight should be made site-specifically.

Federal Facilities

The Federal Facility Hazardous Waste Compliance Office ("Federal Facilities Task Force") within OWPE manages the Federal Facility compliance and enforcement program. The program is charged with developing and implementing enforcement policy for Superfund sites that are Federal Facilities. The issues surrounding Federal Facilities are highly complex and generally have not been addressed before by OWPE. Many aspects of OWPE Federal Facilities policy, therefore, are uncertain and will take considerable time to resolve. The following guidance for using CB resources for Federal Facility enforcement activities is consistent with that for other sites, but may be revised as the fiscal year progresses and OWPE Federal Facility policies and priorities continue to develop.

The Federal Facility budget in FY89 is $4.6 million nationally. This money is to be divided into two categories, consistent with the priorities of the Federal Facility program, as follows:

- Technical oversight and related activities: $3.9 million. This includes funding for oversight of RI/FS, RDs and RAs at both NPL and non-NPL sites, as well as funding of negotiations of enforceable IAGs (preferably under Section 120) through which Federal agencies perform those activities.

- Implementation of the Federal Facilities Compliance Docket and related activities: $700K. This includes both docket development as well as maintaining existing docket facilities.

In FY89, FTE resources will be distributed based on the NPL universe (including proposed facilities). The FY89 budget contains 27 FTE for IAG negotiations and technical oversight at NPL and priority sites and ten FTE for docket and related Federal facility activities. All requests for CB funding at Federal Facilities will be handled through the normal CB process, i.e., requests will be reviewed to ensure that the national budget for Federal Facilities is not exceeded. Oversight of Federal Facility RI/FS, RD and RA response activities will be funded by the enforcement budget in FY89. These projects should be given a budget source code of "E". An exception to this is ongoing Federal Facility RI/FS, RD or RA oversight using TES 3 and 4 contracts. Planned obligations under these contracts should be given a budget source code of "N" (HQ Enforcement). There is no pre-determined limit on a region's Federal Facility funding. HQ will negotiate appropriate adjustments with the regions to stay within the $3.9M and $700K funding levels described above. HQ will also review regional requests for consistency with the pricing factor for the activity.

All requests must be reflected appropriately in CERCLIS, with both dollar amounts and contract mechanism specified. Funding requests for technical oversight and related activities should be entered into CERCLIS as planned obligations associated with the appropriate remedial event. There is no CERCLIS code for docket activities. Funding requests for docket activities, therefore, should be entered as an "OTHER" event, using the event code "OH", with one of the available comment fields used to specify "Federal Facility docket." If some Federal Facilities needing CB funding cannot be specified, requests should be made at "TBD" sites in the site-specific portion of the data base. Instructions for entering IDs for TBD sites can be found in Chapter V.

SUPERFUND FINANCIAL MANAGEMENT

The purpose of the following section is to assist regional Program Offices in carrying out their financial management responsibilities.

Regional Financial Management Responsibilities

Due to the complexity of the Superfund program, numerous organizational units within the regional EPA offices have responsibility for Superfund financial management. These organizations and their responsibilities are detailed below.

Regional Administrator

Regional Administrators have the authority to:

- Approve removal actions up to $2 million per site;
- Award Cooperative Agreements (CAs);
- Award Interagency Agreements (IAGs);
- Enter into Superfund State Contracts (SSCs);
- Initiate remedial planning activities;
- Grant states credit against their cost share; and
- Award Technical Assistance Grants.

All of these authorities may be redelegated with the exception of 1) removal actions deemed to be "nationally significant" and 2) Technical Assistance Grants.

Regional Program Office

Overall regional Program Office financial responsibilities include:

- Providing technical support to the Contracting Officer in contracts management;
- Reviewing vouchers and/or financial reports;
- Managing Cooperative Agreements (CA) and Interagency Agreements (IAGs);
- Preparing Commitment Notices (CN) and Procurement Requests (PR);
- Developing Superfund State Contracts (SSC);
- Negotiating CAs with states, political subdivisions and Indian Tribal governments;
- Either issuing site/spill identifiers (S/S ID) or requesting that they be issued by the regional Management Division;

- Managing the region's allowances;
- Approving Requests for Proposals or Bids and contracts developed by the states; and
- Participating in pre-award financial management system reviews.

Within the regional Program Offices, the following staff have specific Superfund financial management responsibilities:

- On-Scene Coordinator (OSC). The regional OSC may be an employee of EPA or of the U.S. Coast Guard. This employee reacts to hazardous substances spills and releases or threats of release by initiating and managing the removal process. The OSC's financial management responsibilities include preparing site budgets and contract action requests; completing Action Memoranda; preparing delivery orders and PRs for contracts; establishing and maintaining official removal site files; reviewing and approving the removal cleanup contractors' charges on a daily basis; tracking site costs against the established site ceiling; and approving removal contractors' invoices. The OSC must be aware of, in control of and responsible for all removal site charges and for ensuring that costs are reasonable and necessary.

- Ordering Officer. All Ordering Officers must have a written "Delegation of Procurement Authority" signed by a Senior Procurement Manager prior to performing their duties. The Ordering Officer, who typically is an OSC, may initially obligate up to a maximum of $250,000 for removals at a specific site by issuing a Delivery Order under an existing contract. This person also develops the statement of work and cost ceiling for removals.

- Remedial Project Manager (RPM). The RPM, in coordination with the state program personnel, is responsible for managing remedial and enforcement costs and activities on a site-specific basis and for establishing and maintaining the official site files.

- Regional Project Officer (RPO)/Deputy Project Officer (DPO). The RPO is responsible for overall remedial and enforcement contract management functions including identification of regional and site-specific contract requirements, reviewing and certifying invoices, and financial monitoring of the contract. The DPO is responsible for overall removal and general site support contract management functions. The RPO/DPO evaluates and designates contractor award fees; monitors contractors' activities; and reviews monthly contractor reports and site-specific attachments.

The RPM or the RPO may initiate work assignments (WAs), CAs, IAGs and contracts, and approve site-specific IAG invoices.

- Administrative Support Unit (ASU). Administrative Support Units may be established in each regional Program Office. The purpose of these ASUs is to assist the OSC/RPM in performing their administrative duties, thus allowing the OSC/RPM to concentrate their efforts on their technical site management activities. These units are designed to perform at least four important functions:

    -- Provide administrative support to OSC/RPM on site;
    -- Provide the OSC/RPM with administrative support in the regional Program Offices;

- Provide liaison between the OSC/RPM and other groups involved in administrative matters; and
- Provide support to the regional remedial and removal program management.

Specific examples of the kind of administrative and financial management support the ASUs may provide to the OSC/RPM are as follows:

- Assist in developing removal site budgets and preparing Action Memoranda;
- Assist in daily cost monitoring via daily contractor reports;
- Maintain the Removal Cost Management System;
- Set up and maintain active remedial and removal site files;
- Complete PRs and CNs; and
- Request and review reports generated by Software Package for Unique Reports (SPUR) for purposes of monitoring site costs.

The ASUs may be staffed with EPA staff or the non-government functions may be contracted out.. Additional information on the model of an ASU is found in the Report of the Workgroup on Management Support for Superfund's On-Scene Coordinators, dated March 1987.

Regional Management Division

For purposes of this document, the regional Management Division is the organization in which financial management, budgetary, accounting, planning, and assistance agreements administration functions are carried out. The regional Servicing Finance Office (SFO), the Alternative Remedial Contracting Strategy (ARCS) and the Emergency Response Cleanup Services (mini-ERCS) Contracting Officers are considered to be a part of this division. In most regions, the regional Management Division:

- Assigns account numbers (AN) and Document Control Numbers (DCN) to all commitment and regional obligating documents;
- Controls the regional allowance, maintains the Document Control Register (DCR), and reconciles transactions;
- Generally issues S/S IDs for non-Coast Guard-lead sites;
- Sets up regional account numbers in FMS (new obligational authority only);
- Processes all PRs for national contracts and enters commitments into the Financial Management System (FMS);
- Processes CNs for IAGs and enters commitments into FMS;
- Processes CAs, assigns CA identification numbers, enters CA commitments, obligations and drawdowns into FMS;
- Assists the regional Program Office in the negotiation or pre-application phases of the CA development;
- Processes all Letter of Credit increases and monitors drawdowns;
- Receives and reviews financial reports required by the CAs;
- Maintains Superfund original and site-specific document files on all regional costs and supports the regional Program Offices in preparing cost summaries and documentation for cost recovery purposes;
- Maintains accounts receivable for cost recovery and SSC cost share, and maintains billing and collection system;

- Provides regional Program Office with financial data;
- Obligates contracts and modifications for the ARCS and mini-ERCS contracts; and
- Reviews invoices and monthly financial reports for the ARCS and mini-ERCS contracts.

HQ Financial Management Responsibilities

Selected Superfund financial management responsibilities of certain HQ divisions with whom the regional Program Office may come in contact are highlighted below.

Financial Management Division/Office of the Comptroller

This Office, which monitors the financial aspects of the Superfund program through four of its branches, performs many Superfund-related functions, including the following:

- Collects HQ's Superfund cost documentation for cost recovery;
- Oversees monthly and annual site-specific reporting processes;
- Issues financial policies and procedures;
- Provides general accounting support;
- Records transfer allocations;
- Notifies Trust Fund to invest cost recoveries, fines and penalties;
- Establishes Superfund account numbers in FMS.

Financial and Administrative Management Section/Office of Emergency and Remedial Response (FAMS/OERR)

FAMS provides financial management and accounting support and guidance to OERR and the regional Program Offices. As one of HQ's Superfund Allowance Holders, FAMS' responsibilities include:

- Maintains the OERR DCR and controls the HQ allowances;
- Commits funds for HQ OERR contracts and IAGs;
- Assigns accounting data to monthly site-specific invoices;
- Processes and monitors HQ OERR IAGs.

FAMS' responsibilities in relation to the regional Program Office are as follows:

- Maintains the central S/S ID system and assigns S/S IDs to Coast Guard-lead removal sites;
- Coordinates issuance of regional allowances and processes change requests;
- Provides liaison with regional Program Offices regarding OERR financial issues; and
- Provides financial policies to regional Program Offices.

Contracts Enforcement Section/Office of Waste Programs Enforcement

Like FAMS, the Contracts Enforcement Section provides financial management and accounting support and guidance to OWPE and the regional Program Offices. Responsibilities include:

- Obligates funds for the TES contracts;
- Processes and monitors WAs in TESWATS;
- Processes and monitors OWPE IAGs;
- Processes invoices for TES contracts;
- Coordinates issuance of regional allowances and processes change requests;
- Provides liaison with regional Program Offices on OWPE financial issues; and
- Provides OWPE financial policies to regional Program Offices.

Procurement and Contracts Management Division/Office of Administration (P&CMD)

P&CMD conducts the Superfund contracting program. This involves negotiating, awarding, monitoring, modifying, and terminating contracts and providing technical guidance on contract administration. P&CMD also provides cost and price analysis for Superfund contracts.

Grants Administration Division/Office of Administration

This division issues policy, regulations and guidance for the processing, award and administrative management of financial assistance agreements and IAGs; issues identification numbers for all IAGs; and processes and awards HQ IAGs.

Budget Division/Office of the Comptroller

This division allocates the Superfund allowances among the HQ and regional offices; monitors obligations against regular and site allowances on a weekly basis; processes transfer allocations; processes change requests, and reprograms allowances, as necessary.

Cincinnati Financial Management Center

The Servicing Finance Office in Cincinnati is responsible for providing accounting support for all Superfund IAGs. The Office processes disbursement requests from other agencies, processes the billing for reimbursable activities and enters IAG obligations and disbursements into FMS.

Office of Administration/Research Triangle Park

This Servicing Finance Office (SFO) is responsible for providing accounting support for all Superfund contracts. The Office enters contract award data and obligations into FMS, processes contractor invoices, and enters payments into FMS.

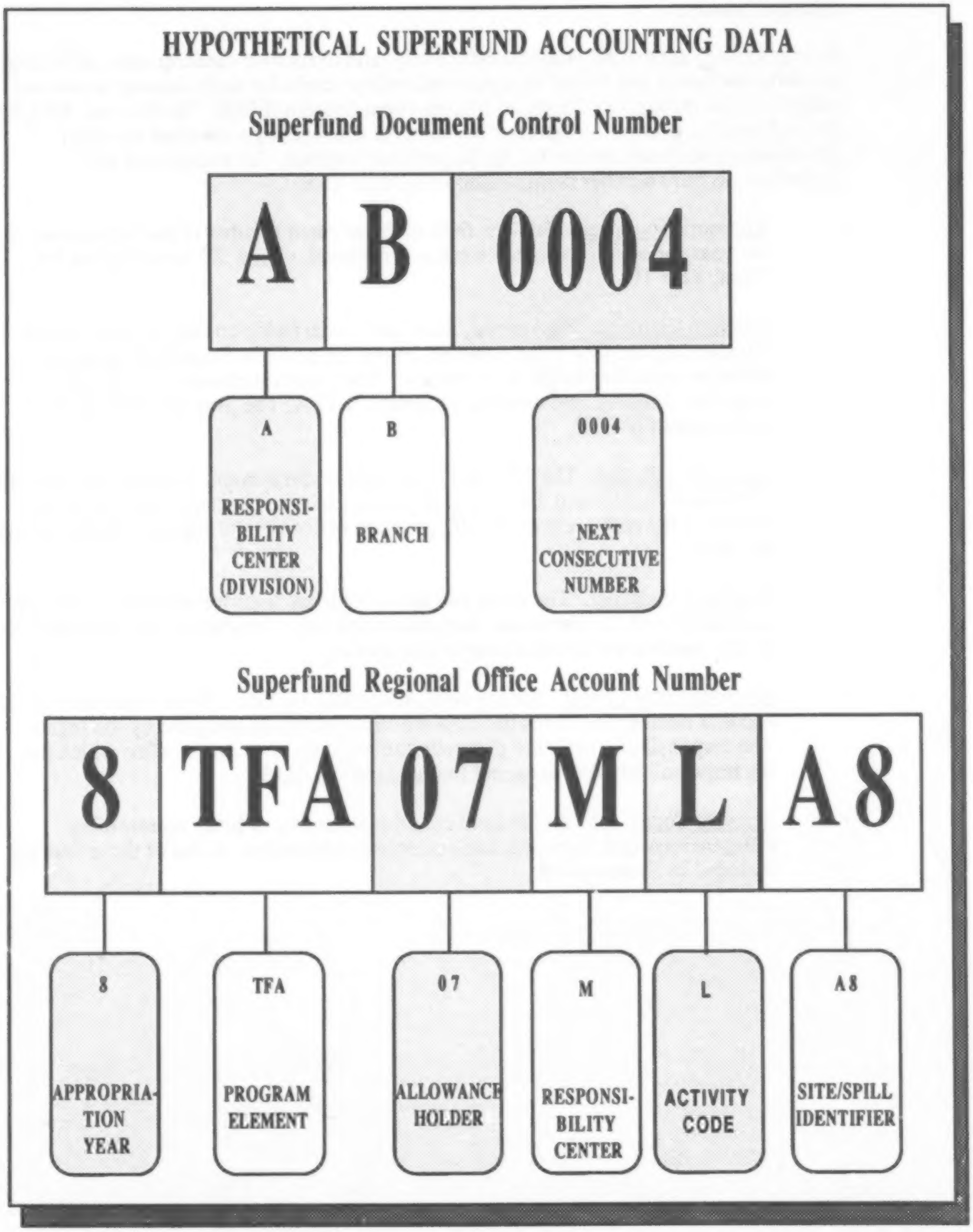
Financial Management Tools and Systems

Account Number

To manage the Superfund program effectively, and to recover cleanup costs, EPA must carefully document and record its direct and indirect costs for each cleanup action and track the costs through its Financial Management System (FMS). To this end, EPA has defined specific uses of the last four positions of the Agency's standard ten-digit Headquarters account number for the Superfund program. An example of the Superfund account number is illustrated in Exhibit VI-8.

- Appropriation Year. The first field of the account number is the last number of the year for which the funds were appropriated, e.g., a "7" would stand for Fiscal Year 1987.
- Program Element. The second, third and fourth fields consist of three letters representing the first three positions of the six-position Superfund program elements used for budget development. The program element for the pre-remedial, remedial and removal programs is TFA. The program element for enforcement is TGB.
- Allowance Holder. The fifth and sixth field of the account number represent the Allowance Holder and the type of allowance (site or regular). The Allowance Holder is the entity, either the HQ program offices or the regions, which receive the AOA.
- Site/Spill Identifier. The ninth and tenth fields are used for identifying the site associated with the particular financial transaction. Procedures for assignment of this number are detailed later in this section.
- Responsibility Center. For regional Allowance Holders, the seventh field of the account number identifies the responsibility center, as assigned by the region. The responsibility center is generally the regional division or office which has the responsibility for managing the funds in the AOA.
- Activity Codes. The eighth field contains a number or letter representing different remedial, removal, and enforcement activities. A list of these codes is included in Exhibit VI-9.

EXHIBIT VI-8



HYPOTHETICAL SUPERFUND ACCOUNTING DATA

Superfund Document Control Number
A
B
0004
A
RESPONSIBILITY CENTER (DIVISION)
B
BRANCH
0004
NEXT CONSECUTIVE NUMBER
Superfund Regional Office Account Number
8
TFA
07
M
L
A8
8
APPROPRIATION YEAR
TFA
PROGRAM ELEMENT
07
ALLOWANCE HOLDER
M
RESPONSIBILITY CENTER
L
ACTIVITY CODE
A8
SITE/SPILL IDENTIFIER

EXHIBIT VI-9

SUPERFUND ACTIVITY CODES

REMEDIAL PROGRAM

J - Pre-Remedial - Extramural only (1)
L - RI/FS - Extramural only (2)
N - RD - Extramural only (3)
P - Oversight of Responsible Party - Extramural (3)
R - RA (including operation and maintenance) - Extramural only (3)
Z - Technical Assistance Grants - Extramural only (2)
9 - Remedial Support and Management - Extra and Intramural (1)

REMOVAL PROGRAM

E - Removal Actions - Extramural only (3)
W - Expedited Response Actions - Extramural only (3)
Y - Removal TAT Activities - Extramural only (1)
8 - Removal Support and Management - Extra and Intramural (1)

ENFORCEMENT PROGRAM

B - Pre-enforcement Activity - Extramural only (1)
P - Oversight of Responsible Party - Extramural (3)
2 - Judicial Enforcement - Extramural only (3)
3 - State/Federal Facility Liaison - Extramural only (1)
4 - General Enforcement - Extra and Intramural (1)
5 - Removal Enforcement - Intramural only (2)
6 - Remedial Enforcement - Intramural only (2)

OTHER CODES

7 - General Support and Management - Extra and Intramural (1)
U - Laboratory Analysis - Extra and Intramural (1)
0 - Research and Development (Numeric 0) - Extra and Intramural (4)

Notes:

(1) Can only be used with non-site specific, site specific and "ZZ" account numbers
(2) Can only be used with site specific account numbers (includes"ZZ" account numbers)
(3) Can only be used with site specific account numbers (excludes "ZZ" account numbers)
(4) Account numbers with 0 as the activity will always be considered as non-site specific

Document Control Number (DCN)

The DCN is a six digit number assigned by the regional SFO to Procurement Requests (PRs) and Commitment Notices (CNs) as a control number. This same number is carried over from the PR or CN to the obligating document. An example of the DCN is found in Exhibit VI-8.

Financial Management System (FMS)

The FMS is the Agency's official automated accounting, funds control and monitoring system. It encompasses all of the Agency's financial systems for planning, budget formulation and execution; program and administrative accounting; and audit. FMS is maintained by the Administrative Systems Division of the Office of Information Resources Management. The Financial Systems Branch of the Financial Management Division, Office of the Comptroller, provides FMS user support.

- SPUR. Through FMS's Software Package for Unique Reports (SPUR), an FMS user can run specialized reports from FMS, showing only the information selected. SPUR can select any data elements maintained in FMS, arrange those elements in any desired format, and print a report. The regional Program Office staff may request SPUR reports from the regional Servicing Finance Office (SFO). These reports are especially useful for determining the status of commitments and obligations and payments for a given site.

- Regional FMS Responsibility. Though each region is organized somewhat differently, in most regions the SFO enters commitments into FMS for contracts and Interagency Agreements (IAGs). For Cooperative Agreements, the SFO enters not only commitments, but obligations and drawdowns as well. At the request of the regional Program Office, the SFO sets up regional account numbers in FMS. Since the Agency does not officially recognize commitments or obligations until they appear in FMS, it is imperative that the regional Program Office forward all commitment and obligating documents to the SFO as expeditiously as possible for entry into FMS.

Document Control Register (DCR)

The DCR is the Allowance Holder's mechanism for maintaining a running balance of all funds available to the Allowance Holder. The DCR can be manual or automated (Automated DCR, or ADCR) and is generally maintained in the SFO.

Checking the DCR's balance is part of the Funds Certifying Officer's (FCO) certification of funds availability. Once the FCO certifies that funds are available and that the appropriate funds are being used, the FCO assigns to the action a DCN and records it in the DCR. This number uniquely identifies the spending action in the Agency's FMS, just as a check number identifies a check.

An office using an ADCR system which automatically transmits commitment data to FMS should keep the commitment copy of the spending document. If an office does not use such a system, it may use the Financial Information Register Satellite Terminal User's Package (FIRSTUP) to transmit commitments electronically to FMS. If an office does not use FIRSTUP or an ADCR, it should send the commitment copy to the proper SFO.

Site/Spill Identifiers (S/S IDs)

The ninth and tenth fields of the Superfund account number, which are used to identify costs associated with a specific site, contain the site/spill identifier (S/S ID) code. S/S IDs are established by the regional offices, with the exception of Coast Guard responses which are provided through the OERR FAMS. Each regional office has one or more persons responsible for assigning S/S IDs and communicating updated S/S ID information to HQ. This is usually done by calling or sending an updated copy of the regional S/S ID list to the S/S ID contact in HQ.

Before assigning an S/S ID, an EPA ID must exist in the CERCLIS data base. The EPA ID is a 12-character unique identifier which is used to identify a hazardous waste site or an unanticipated removal in the CERCLIS inventory. This ID is based on the Facility Index System (FINDS). An EPA ID must be established prior to assignment of an S/S ID. In addition, there can only be one S/S ID for each EPA ID.

Because of the limited number of site codes available for each region, it is important to refrain from issuing S/S IDs until they are actually needed to establish account numbers for the commitment and obligation of funds. Before establishing a new S/S ID, a thorough check should be made to ensure that the site is not already listed under another name. Removal sites should receive identifiers as soon as it appears that more than approximately $5,000 will be spent on removal work at the site. Remedial sites should receive identifiers when the Hazard Ranking System score for the site indicates it will be proposed for the NPL and an account number is needed for the obligation of funds. Dioxin sites do not have to be on the NPL in order to establish an ID. Enforcement sites receive identifiers when costs for an enforcement activity are expected to exceed 24 workhours per pay period, and when a cost recovery action is likely.

The codes to be assigned follow a set pattern. When the S/S ID exceeds 99, the next nine sites will be identified as A1 to A9, the following nine, B1 to B9, and so on. After site Z9, the sequence will continue with 1A to 9A, then 1B to 9B, and so on. After site 9Z, the sequence will continue with double alpha characters (example: AA, AB through AZ and then continue with BA, BB, and so on). The letters I or O are not used, since they may be easily confused with "ones" and "zeros". In addition, the letters U, V and W in the ninth field are reserved for U.S. Coast Guard responses.

Financial Management and Funding Processes

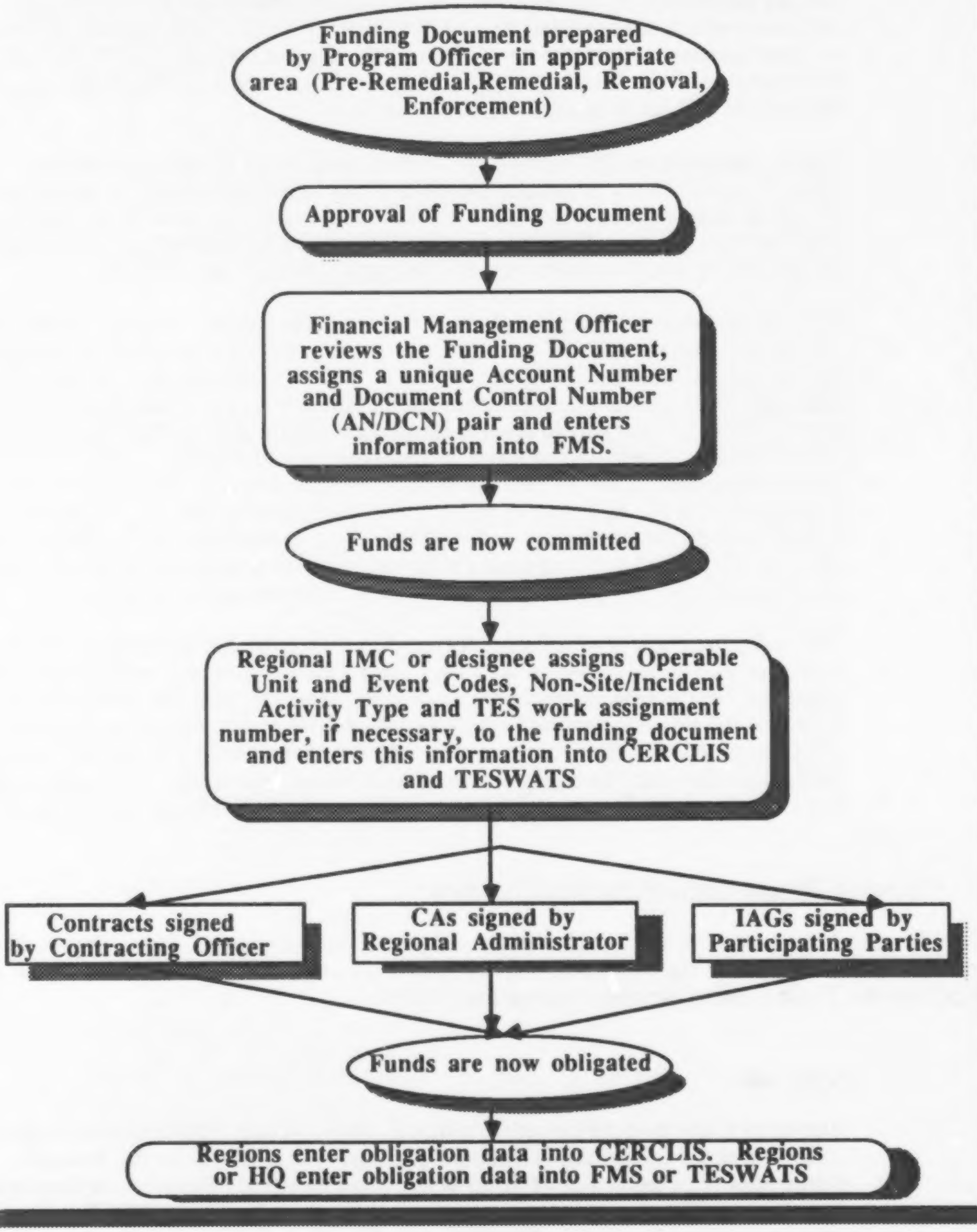
Regional financial authority consists of three distinct, but interrelated, parts: approval, commitment and obligation. Exhibit VI-10 indicates the process by which the regions commit and obligate funds. These funding processes are outlined below.

Approvals

Authority to approve pre-remedial, removal, remedial and enforcement activities is contained in the Superfund delegations package. An approval by the Assistant Administrator of the Office of Solid Waste and Emergency Response or Regional Administrator, as appropriate, is an authorization to undertake a CERCLA-funded response action. Examples of these approvals include Removal Action Memoranda, SCAP submissions, etc. A site/activity must be approved before any commitments can be made.

EXHIBIT VI-10

HANDLING FINANCIAL DATA IN THE CERCLIS ENVIRONMENT


Funding Document prepared by Program Officer in appropriate area (Pre-Remedial,Remedial, Removal, Enforcement)
Approval of Funding Document
Financial Management Officer reviews the Funding Document, assigns a unique Account Number and Document Control Number (AN/DCN) pair and enters information into FMS.
Funds are now committed
Regional IMC or designee assigns Operable Unit and Event Codes, Non-Site/Incident Activity Type and TES work assignment number, if necessary, to the funding document and enters this information into CERCLIS and TESWATS
Contracts signed by Contracting Officer
CAs signed by Regional Administrator
IAGs signed by Participating Parties
Funds are now obligated
Regions enter obligation data into CERCLIS. Regions or HQ enter obligation data into FMS or TESWATS

The following paragraphs highlight the region's financial management authority and responsibility in the removal program:

- Approval Authority. In accordance with Delegation 14-1-A, the Regional Administrator has the authority to approve removal actions costing up to $2,000,000 at National Priorities List (NPL) sites or non-NPL sites and may grant exemptions to the twelve-month statutory limit. In addition, Regional Administrators may redelegate to the On-Scene Coordinators (OSCs) the authority to approve actions costing up to $50,000 in emergency situations where an expeditious response is required.

- Action Memorandum. Except in emergency situations, before a removal action can begin, an Action Memorandum must be approved. The Action Memorandum must document that the release meets the criteria of CERCLA, as amended, and the National Contingency Plan (NCP). In addition to the technical data, the Action Memorandum, must include, to the extent practicable, an estimated total project ceiling. The OSC uses the estimate of the duration and cost of the removal actions in order to determine the proper approval authority. The OSCs or other Ordering Officers are responsible for obtaining all necessary Regional Office approvals and signatures.

  Generally, the Action Memorandum is prepared prior to initiating response activities. In extreme emergencies, however, the OSC may initiate activities under his or her $50,000 authority without preparing the necessary documentation in advance. In these circumstances OSCs must document their decision within 24 hours of initiating response.

The following paragraphs highlight the region's financial management authority and responsibility in the remedial and enforcement programs:

- Financial Approval Mechanism. Planning of remedial and enforcement program activities is accomplished by means of the SCAP. Funds cannot be committed or obligated for a remedial or enforcement activity unless it is included in the SCAP.

- Record of Decision (ROD). A ROD is required for all RD and RA activities. The ROD, signed by either the Regional Administrator or the AA SWER, documents the Agency's remedial alternative decision- making process and demonstrates that the requirements of CERCLA, as amended, and the NCP have been met. The ROD also provides the basis for future cost recovery actions that may be taken.

Commitments

Once the regional Funds Certifying Officer certifies the availability of funds, a spending action becomes a commitment, which is a reservation of funds but not a legal promise to pay a supplier. Commitments which have not yet been processed are called open commitments until they become obligations.

There are two types of commitment documents: the Procurement Request (PR) and the Commitment Notice (CN). The PR is used to commit funds for contracts; the CN is used to commit funds for Cooperative Agreements (CAs) and reimbursable Interagency Agreements (IAGs).

Obligations

Unlike a commitment, an obligation legally binds the government to pay a supplier for delivery of goods or services. Thus, once funds are obligated, the region may no longer release the funds for another purpose.

A contractor, another agency or state cannot start work until the funds have been obligated. In addition funds may only be used for the purpose for which they were obligated under the contract, IAG or CA, and may not be transferred to another activity and/or site within the contract, IAG or CA without first being deobligated.

Obligating documents must be processed in accordance with guidance issued by the Procurement and Contracts Management Division (P&CMD), the Grants Administration Division, and the Financial Management Division. The majority of the contracts are currently awarded by P&CMD and entered into FMS by the Servicing Finance Office/Research Triangle Park (SFO/RTP). Plans are underway to decentralize the contracting function to the regions. Obligations for CAs are entered into FMS by the regions; for IAGs, by the Cincinnati Financial Management Center.

Payments

Each contractor/supplier submits an invoice to the proper SFO for payment. Before the SFO may pay the contractor/supplier, it must have an obligating document and a receiving report (sent by the originating office) to verify that the work was completed or the goods were received satisfactorily. Unpaid obligations are not removed from FMS at the end of the fiscal year. Rather, they remain in the system until paid or until the Allowance Holder or obligating official notifies the SFO that no further payments will be made against the obligation.

De-obligations

The de-obligation of funds is handled similarly to the obligation of funds. The same commitment and obligation documents and procedures are used, except that the dollar amount indicated is a reduction rather than an addition. The availability of funds after de-obligation has taken place depends on when the funds initially had been obligated. Current fiscal year funds are available for reuse within the allowance as soon as the de-obligation is effective. Prior fiscal year funds that are de-obligated revert back to HQ for redistribution. In order to reuse the prior year funds, allowance holders must request a recertification of the funds to their allowance from the Office of the Comptroller in coordination with the Office of Solid Waste and Emergency Response (OSWER).

Financial Management Funding Mechanisms

EPA uses a variety of funding mechanisms to carry out CERCLA-funded response actions. Included in these are the following:

Contracts

Superfund contracts are awarded through standard procurement procedures (see the Office of the Comptroller's Resources Management Directives Systems 2550C Chapter 2 and the EPA Contracts Management Manual or refer directly to the directives prepared for each contract). Exhibit VI-11 contains information on the procurement forms used for most Superfund contracts. The unique aspect of Superfund contract processing and financial tracking stems primarily from the need to associate contractor costs incurred with specific Superfund sites in order to assist in the cost recovery process. Cost recovery negotiations with PRPs or court actions require careful documentation of Federal costs incurred at each site/spill. The following paragraphs describe key financial management processes for each of the primary categories of Superfund contracts.

- Site-Specific Removal Contracts. Site-specific removal contracts are obligated and tracked on a site-specific basis in the Agency's FMS. Removal cleanup contracts may be awarded on a zone-, region- or site-specific basis. These include the Emergency Response Cleanup Services (ERCS) and mini-ERCS contracts.
  - Commitment of Funds. The Procurement Request (PR) is used to commit funds for contracts. OSCs or other Ordering Officers prepare the PR for the site portion of the contract and obtain all necessary regional office approvals and signatures. They send the document to the SFO for certification of funds and addition of accounting information (account number, appropriation number and document control number). The SFO must also check that the action has been approved. The regional SFO enters the commitment into the Automated Document Control Register (ADCR) and FMS.

EXHIBIT VI-11

EPA FORMS COMMONLY USED FOR SUPERFUND PROCUREMENTS

EPA FORM NO.	FORM NAME	PURPOSE	COMMENTS
1900-8	Procurement Request/ Purchase Order	The Agency's basic form for requesting a procurement of any goods or services to commit funds before obligating funds on any of these documents. Must be certified by funds commitment clerk.	This form is the basis for entering a commitment in FMS. The FMO enters an obligation only upon receiving a contract document or purchase order.
1900-48	Order for Services - Emergency Response to Hazardous Substance Release	Used by On-Scene Coordinators (OSCs) to obligate funds and contract for services (up to $2,500) from commercial firms or a state or local government (if site not owned by state or subdivision at time wastes were disposed of) to respond to a release.	Results in a firm, fixed-price contract. No price adjustment may be made for work stated in contract. Contractor may submit only one invoice. FMO will process contract as an obligation.
1900-49	Notice to Proceed with Emergency Response to Hazardous Substance Release	Used by OSC to authorize a contractor to begin work on an emergency response (up to $10,000 per incident). Negotiation of definitive contract and any modifications performed by HQ Contracting Officer.	A preliminary contractual instrument that must be made final by a designated Contracting Officer in HQ. FMO will process notice as an obligation.
1900-56	Letter contract for State, Indian Tribal Governments, or Local Government Response to Emergency Hazardous Substances Release	Used by OSC to procure services from a state, local or Indian tribal government to begin work on an emergency response (up to $10,000 per incident) if site was not owned by state or subdivision at time of hazardous waste disposal. Negotiation of definitive contract and any modifications performed by HQ Contracting Officer.	Results in a cost reimbursement type agreement with a State, local or Indian tribal government. It is a preliminary contractual instrument that must be made final by a Contracting Officer in HQ. The appropriate FMO will process a letter contract as an obligation.
1900-59	Delivery Order for Emergency Response Cleanup Services	Used by OSCs to order services (up to $250,000) from the ERCS contractor to respond to a release. All modifications and obligations over $250,000 will be processed by the HQ Contracting Officer.	Has time and material provisions, but uses fixed rates negotiated in ERCS contract. Order must be made final by a designated Contracting Officer in HQ. FMO will process orders as an obligation.

- Obligation of Funds. Site-specific removal cleanup contracts are obligated by the regional Ordering Officer (generally the OSC), the mini-ERCS Contracting Officer or at HQ. Obligational authority is determined by the type and amount of the contract. Although a PR is generally prepared in advance of the obligating document for removals, these documents may be processed simultaneously or out of sequence, due to the urgent nature of removals. OSCs have the contractual authority to obligate up to $250,000 via a Delivery Order under an existing contract; however, regions have limited this authority to $50,000. For contract amounts over this authority, the OSC forwards the obligating document to the Regional Administrator for approval and to Procurement and Contracts Management Division (P&CMD) or the mini-ERCS Contracting Officer for obligation and processing. The SFO/Research Triangle Park (RTP) enters the obligation into FMS for all contracts.

- Invoice Processing. The OSC or Deputy Project Officer reviews the site portion of contractor invoices and signs a statement indicating that the services for which the contractor is invoicing have been provided. The OSC forwards the certified copy of the invoice within five days to the SFO/RTP for processing and payment.

  If the OSC disallows any charges, copies of the invoice should be sent to the Contracting Officer, along with an explanation for disallowing the costs. When a disputed charge cannot be settled with the contractor, the OSC prepares a memo/letter with a copy of the voucher and sends them to the Contracting Officer. The OSC sends the original voucher with a copy of the letter to RTP. Additional guidance for processing site-specific contractor invoices are included in the "Removal Cost Management Manual," "Superfund Removal Procedures" manual and the "ERCS Users Manual".

- Site-Specific Remedial Contracts. Site-specific remedial contracts refer to those which are obligated site-specifically. Remedial contractors provide site-specific support for remedial investigations/ feasibility studies, remedial designs and remedial actions at individual NPL sites, as well as general management support to EPA HQ and regions. Both large, national contracts as well as smaller, region-specific contracts, e.g. Alternative Remedial Contracting Strategy (ARCS) contracts are in place. Site-specific remedial contracts are obligated and tracked on a site-specific basis in the Agency's FMS.

  - Commitment of Funds. To commit funds, the regional Program Office prepares the PR for site-specific activities, obtains all necessary regional Program Office approvals and signatures, and forwards the approved document to the regional SFO for certification of funds availability and the addition of accounting information (account number and DCN). The Regional SFO enters the commitment into FMS. For region-specific contracts, e.g., ARCS contracts, the basic contract is prepared in HQ and contract modifications are processed in the regions.

  - Obligation of Funds. Site-specific remedial contracts are obligated by P&CMD in HQ or the ARCS Contracting Officer in the regions. These obligations represent contract modifications which must be processed in accordance with guidance issued by P&CMD. P&CMD or the ARCS

Contracting Officer distributes the processed obligating document, and the SFO/RTP enters the obligation into FMS.

- -- Invoice Processing. Site-specific remedial contractors will provide copies of their monthly invoice or voucher for payment to the Contracting Officer and the regions for review. For HQ contracts, RPOs have five days to review the invoice. If the invoice accurately reflects contractor activities, the RPO will certify that the voucher is consistent with the service provided and forward the certification to the SFO/RTP for processing and payment. If the RPO identifies a problem, it should be reported to the appropriate HQ Project Officer for resolution. The HQ Project Officer will resolve any problems, certify that the voucher is consistent with the services provided, and forward the certification to the SFO/RTP for processing and payment.

  In the case of region-specific contracts, e.g. ARCS, the RPO is responsible for processing the invoices, resolving any problems and forwarding the invoices to RTP.

- General Site Support Contracts. This category includes contracts which are not obligated on a site-specific basis. These contracts create a pool of contract labor capable of providing broad technical and planning support to any removal, pre-remedial, remedial or enforcement site on an "as needed" basis. Examples of this type of contract include, but are not limited to: the Field Investigation Team, Technical Assistance Team, Contract Laboratory Program, and the Environmental Services Assistance Team. Because these types of contracts are administered by HQ, they will not be discussed in detail in this document.

  General site support contractors must submit with each invoice a site-specific attachment, which details the costs incurred at each site with an EPA S/S ID. The site-specific attachment must include the invoiced costs for each of the following categories:

  - -- Each site with an EPA S/S ID
  - -- All other sites, i.e., those without an EPA S/S ID, on one line item per region
  - -- Program management
  - -- Base and award fees
  - -- Non-site activities, identified separately, such as training of state personnel or coordination of regional activities
  - -- Non-Superfund costs, as applicable, on one line item per appropriation.

  The contractors submit original invoices to RTP and advance copies to the HQ Project Officer simultaneously. The Project Officer reviews the invoice and the site-specific attachment for reasonableness of the site-specific charges. In some cases, the regional DPOs will conduct a concurrent review of the invoice.

- Enforcement Contracts. The Technical Enforcement Support contracts are a combination of the general site support contracts and the site-specific removal/remedial contracts. The TES contracts are not obligated on a site-specific basis, however, the regions issue work assignments against the contract labor pool on a site-specific basis. Site-specific work assignments are not entered into FMS.

- -- Commitment of Funds. The RPM in the region prepares the work assignment for site and non-site specific activities, obtains all the necessary regional Program Office approvals and signatures and forwards the approved document to the regional RPO for processing. The regional RPO enters the work assignment into TESWATS.

- -- Obligation of Funds. In TES 5+, the regions are provided funds within their Advice of Allowance which are obligated non-site specifically against the contract to provide capacity for technical and planning support. HQ performs this function for the TES 3 and 4 contracts. After the regional RPO processes the site-specific work assignment it is approved by the HQ Contracting Officer in OWPE. Approved work assignments are entered into TESWATS.

- -- Invoice Processing. TES contractors provide copies of their monthly invoice to the regions for review. The invoice must be submitted with a site-specific attachment, similar to the general site support contracts, which details the costs incurred at each site. For TES 3 and 4, if the invoice is correct, the regional RPO certifies that the invoice is consistent with the services provided and forward the certification to OWPE for processing and payment. If the RPO identifies a problem, it should be reported to the appropriate HQ official in OPWE for resolution. Under the TES 5+ contracts the RPO is responsible for processing the invoices and resolving any problems.

- General Program Support Contracts. This group of contracts provides general program management support to HQ and regional Program Offices. These contracts are not for site-specific work and are not obligated site-specifically. They are administered totally by HQ and will not be discussed in this document.

Interagency Agreements

An Interagency Agreement (IAG) is a written agreement between Federal agencies under which goods and services are provided. The Superfund program uses Disbursement IAGs and Allocation Transfer IAGs to request that certain Federal agencies assist with site cleanups and associated activities and provide ongoing support or services. The IAG specifies the services required and identifies the method of payment.

- Disbursement Interagency Agreements (IAGs). Disbursement IAGs are agreements in which another Federal agency provides goods or services to EPA. This category of IAG is similar in concept to obtaining goods or services from a contractor. Superfund program staff prepare IAGs to pay other agencies for work performed at a specific Superfund removal, remedial or enforcement site and for non-site specific activities. EPA pays the other agency either by advance payment or by payment following work performance (repayment). The regional Program Office initiates and manages site-specific IAGs. The Assistance Administration Unit (AAU) in the regional Management Division typically approves and awards site-specific IAGs. The exception is U.S. Coast Guard-lead removal IAGs, which are negotiated, approved, awarded, and managed at HQ.

-- Commitment of Funds. The regional Program Office determines whether assistance from another Federal agency is needed. The regional SFO determines the availability of funds, upon request from the regional Program Office. The regional Program Office then prepares the IAG funding package, consisting of a Commitment Notice (CN), a transmittal memorandum, EPA Form 1610-1, which is the IAG itself, and a Decision Memorandum, which verifies legal authority for the IAG. The Decision Official in the regional Program Office reviews and approves the IAG. The staff of the AAU then conducts an administrative review of the funding package. The SFO adds accounting data and enters the commitment in the Document Control Register (DCR) as well as into FMS. The regional Program Office establishes and maintains the official site file(s). The AAU establishes and maintains the official financial file.

-- Obligation of Funds. Following prevalidation of the commitment, the AAU obtains an IAG number from Headquarters Grants Administration Division (GAD) by E-Mail. The Action Official (the Regional Administrator or his/her designee) signs the IAG. The AAU then sends the signed IAG to the other agency for signature. An obligation is created when the IAG has been signed by both agencies. The AAU distributes the executed IAG to the regional program office, the GAD, and the Cincinnati Financial Management Center (CFMC), where the obligation is recorded in FMS.

-- Payments. If the performing agency does not have OMB-approved reimbursable authority, the CFMC pays that agency for EPA prior to execution of the agreement activities. For those agencies that do not require advances, the regional Program Office certifies that charges are accurate following execution of the activities. There are three ways in which EPA accomplishes exchange of funds for IAGs: the Simplified Interagency Billings and Collection system (SIBAC), the On-line Payment and Collections system (OPAC), and check payments. When the OPAC or SIBAC system is used, funds exchange occurs prior to regional Program Office certification; however, the regional Program Office may request adjustments when necessary. For payment by check, the performing agency submits vouchers to the CFMC, who forwards them to the regional Program Office. The regional Program Office reviews and certifies the vouchers and then returns both the voucher and the certification form to CFMC for processing and payment.

-- Closeout. The regional Program Office is responsible for managing pre-closeout activity. If all work has been completed, the regional Program Office accepts the final report from the other agency and initiates closeout procedures. The AAU queries the regional Program Office when the project period has expired or when there has been no project activity for two quarters. If the AAU requests a project status determination, the regional Program Office determines whether the IAG should remain open/extended or be closed, and notifies the AAU.

When no further activity will occur under the IAG (e.g. project completed, funds availability period expired, funds expended, unsatisfactory/incomplete work product) and final invoices have been certified, the regional Program Office prepares a written closeout request and sends it to the AAU. The AAU then determines from CFMC that the IAG is financially closed out and closes out the IAG by sending a closeout letter to the other agency and notifying the regional Program Office and GAD. Both the regional Program Office and the AAU then remove the appropriate files from active status and retain them a minimum of six years. Disposal of the files is subject to regional Program Office approval.

When applicable, within thirty days of completion of work under the agreement, the regional Program Office prepares, or obtains from the other agency, a final inventory and disposition recommendations for non-expendable property. The regional Program Office forwards a copy of this report to the appropriate property management office in the regional Management Division.

- Allocation Transfer IAGs. Allocation Transfer IAGs transfer obligational authority from EPA to the designated agency at the appropriation level. The funds are transferred to the other agency from an EPA allowance via EPA's Transfer Allocation account. This IAG mechanism is similar to the Comptroller providing allowances to EPA Program Offices to carry out specific functions; however, transfers occur at the appropriation level. Obligations and payments are made by the other agency and are reported monthly to EPA.

Interagency agreements with FEMA for permanent or temporary relocations are allocation transfer IAGs. The regional Program Office, in conjunction with the AAU in the regional Management Division, typically initiates, approves, awards, and manages site-specific Allocation Transfer IAGs. Implementation of an allocation transfer IAG must be in accordance with Department of Treasury procedures and can only be used with prior approval from the Office of the Comptroller.

-- Initiating the IAG. The regional Program Office initiates the IAG. After developing a preliminary cost estimate with the other agency, the regional Program Office prepares the funding package which includes EPA Form 1610-1, a transmittal memorandum, and the Decision Memorandum. The Decision Official in the regional Program Office reviews and approves the funding package and submits it to the AAU. The AAU obtains an IAG number from GAD by E-Mail and conducts an administrative review. The GAD enters IAG data from the E-Mail request into the Grants Information Control Systems (GICS). The Action Official (the Regional Administrator or his/her designee) conducts a final review and signs the IAG package. The AAU submits the IAG to the other agency for signature. The AAU distributes the executed IAG to the regional Program Office, to the GAD, and to the Office of Comptroller. Upon initiation of the IAG, the regional Program Office submits a change request to the Budget Formulation and Control Branch in the Office of the Comptroller, so that the funds can be set aside in a HQ transfer account. The appropriate program's allowance is then reduced to reflect the transfer to the receiving agency.

-- Transfer of Funds. The executed IAG serves to transfer obligational authority to the other agency. Once the IAG is signed, and upon receipt of a change request from the regional Program Office, the Budget

Division in the Office of the Comptroller withdraws funds from the region's allowance and transfers the funds to the EPA Transfer Allocation account for future transfer to the designated agency. The Financial Reports and Analysis Branch executes the transfer from EPA to the performing agency.

-- Financial Monitoring. The performing agency is required to submit: 1) monthly reports via SF133, "Budget Execution," on obligations and expenditures during the period to EPA's Financial Management Division and 2) periodic status reports to the regional Program Office and the HQ Superfund Budget Branch. The IAG also requires the other agency to maintain records and documentation by site and submit them to EPA upon request. The regional Program Office reviews progress reports and acts on them as necessary.

-- Closeout. The regional Program Office closeout procedures for an Allocation Transfer IAG are the same as those for Disbursement IAGs. Since there are no billing transactions, outstanding invoices or payments are not a concern; however, to determine that the IAG may be financially closed out by the Office of the Comptroller, the AAU asks the EPA Inspector General to request the other agency's Inspector General to determine the financial status of the IAG. Both the regional Program Office and the AAU then remove the appropriate files for that IAG from active status and retain them a minimum of six years. Disposal of the files is subject to regional Program Office approval.

For further information on Regional IAGs, see the Regional Processing of Superfund Interagency Agreements handbook, DRAFT, July 1987.

Cooperative Agreements (CA)

A CA is the instrument EPA uses to provide assistance to states, political subdivisions or Indian Tribal governments in conducting pre-remedial, remedial, removal, enforcement and program and project support activities. CAs provide funding assistance to the state, political subdivision, or Indian Tribal governments, documents responsibilities and obtains state assurances. CAs must be approved by the Regional Administrator or designee. The steps for developing and managing the financial aspects of a CA in the region are outlined below.

- Commitments. The regional Program Office prepares the CN and obtains all necessary program approvals and signatures to commit funds for the CA. The regional Management Division certifies the availability of funds, assigns the accounting data, sets aside the required funds on the DCR and enters the commitment into the FMS. The regional AAU assigns the CA identification number.
- Obligations. The signature of the Regional Administrator, or his/her designee, obligates CAs. The regional Management Division is responsible for processing obligations in accordance with the guidance issued by P&CMD, GAD and FMD, and for entering the obligations into the DCR and FMS.

- Letter of Credit. If a state environmental agency, political subdivision or Indian Tribal government does not have an established consolidated Letter of Credit (LOC) with EPA, one should be established. The LOC is the preferred method for providing Superfund payment assistance to states, political subdivisions or Indian Tribal governments. The CA recipient "draws down" funds from the appropriate credit account at the Federal Reserve Bank to cover EPA's share of immediate cash needs for each activity approved in the CA.

  The state, political subdivision or Indian Tribal government may only draw down funds from the LOC for work authorized for specific sites and/or activities. The total drawdown may not exceed the amount obligated for each activity and/or site in the CA. Drawdowns must be made proportionally to the amount of work completed, and may only be made for the EPA share of project costs. If funds obligated for a specific site or activity have been exhausted, the recipient may not draw down from another account number within the consolidated LOC.

  The regional Management Division reviews drawdowns on a monthly basis and determines whether the account structure established in the CA is being followed and that the drawdowns are only large enough to cover immediate (usually one month) cash needs. The account from which drawdowns were made, identified in the FMS Outlay Report or state quarterly report, must match the activities being undertaken.

- Financial Monitoring. On a regular basis, the RPM should review the FMS Outlay Report and the quarterly progress report prepared by the state, political subdivision or Indian Tribal government The review should determine that drawdowns at the site correspond to technical progress.

- De-obligations. De-obligations of funds are handled similarly to obligations of funds. The same commitment and obligation documents and procedures are used, except that the dollar amount indicated is a reduction rather than an addition. The availability of funds following de-obligation depends on when the funds were obligated initially. Current fiscal year funds are available for reuse within the allowance as soon as the de-obligation is effective. Prior fiscal year funds that are de-obligated revert to HQ for redistribution.

  In order to reuse prior fiscal year funds:

  -- The Allowance Holders must submit a request to recertify the funds to their allowances;
  -- OERR will evaluate the request based on the approved SCAP and will recommend distribution of funds;
  -- The Office of the Comptroller must approve the request; and
  -- The request must be approved and a reapportionment obtained from the Office of Management and Budget.

- Transfer of Funds. Under a multi-site CA funds can be transferred from one site to another site. This transaction is called a 'transwitch' and requires a formal CA amendment. CA funds can also be transferred from one remedial response phase to another remedial response phase at the same site. Again, a formal CA amendment is required.

For additional information on the financial management of CAs, refer to the Resources Management Directives Systems 2550D, Chapter 9, and the State Participation in the Superfund Program guidance, Chapters 7 and 10.

Superfund State Contracts (SSCs)

When EPA or a political subdivision has the lead for a remedial action, the instrument used to describe the state's role is a Superfund State Contract (SSC). An SSC is a legally binding agreement that provides the mechanism for obtaining required state cost share and other assurances, outlines the statement of work for the response action and also documents responsibilities for remedial implementation at a site. When a political subdivision has the lead for a remedial action, the SSC is signed by EPA, the state and the political subdivision. The SSC does not obligate funds; funds for Federal-lead projects must be obligated through an EPA procurement contract with a contractor or an Interagency Agreement with another agency. Funds for political subdivision response actions are provided through the CA.

- SSC Requirements. An SSC is required to be in place before EPA or the political subdivision can begin a remedial action funded by the Superfund. An SSC must contain several state assurances. One is that the state will pay its cost share for response actions. The state cost share is ten percent for privately operated sites. For publicly operated sites, the state cost share is 50 percent and is required for prior removal, RI/FS and RD activities as well as the RA. In addition to cost share assurances, SSCs must contain state program assurances and must also include a tentative payment schedule.

- SSC Development. The SSC is developed by the regional Program Office. The RPM/RPO must insure that, in addition to program assurances, the financial cost share requirements and payment schedule are included in the SSC.

- Accounts Receivable. Like a CA, an SSC requires state cost share. To cover its share of remedial costs under an SSC, the state may be required to provide cash payments to EPA. Following execution of the SSC, the RPM/RPO must immediately forward a copy of the executed SSC to the regional Management Division for necessary accounts receivable processing. The RPM/RPO is also responsible for forwarding immediately to the regional Management Division any SSC modifications that may affect the payment schedule.

- Payment Schedule. The state cost share must be received and recorded in FMS before EPA will pay for the work to which the state is contributing funds. Therefore, state payments should be scheduled approximately two weeks ahead of the anticipated outlay date to allow for administrative processing. If a remedial action occurs in several phases the payments may be spread out accordingly. In this situation, the SSC will schedule the respective state payments to ensure deposit in the Treasury and recordation in the FMS no later than EPA's obligation of funds for each phase.

- Billing. Thirty days prior to the date on the SSC payment schedule, the regional Management Division will send to the state a notice of the amount required and the due date. The SSC, and any invoice to the state requesting payment, must include the requirement that payments be sent to the regional Superfund lockbox address. The regional Management Division will reference the SSC, including the EPA site name and identifier, on the invoice. The Division will also require the state to include a copy of the invoice with any remittance sent to the regional Superfund lockbox address.

- Receipt of Payment. If EPA does not receive the requested funds by the date on the payment schedule, the regional Management Division will notify the RPM/RPO immediately. The RPM/RPO is responsible for follow-up with the state and will keep the regional Management Division advised. No interest will accrue on the invoiced amount, because the state cost share is not a debt to the Agency, but rather an advance payment. The region deposits its cost share in the Trust Fund and receives in return a reimbursable allowance.

- Closeout. The RPM/RPO is responsible for notifying the regional Management Division when it is time to close out the specific remedial action. The regional Management Division will reconcile the financial data on the Federal-lead action.

For additional information on financial management responsibilities related to SSCs, refer to the Resources Management Directives Systems 2550D, Chapter 9 and State Participation in the Superfund Program guidance, Chapter 7.

Cost Recovery/Cost Documentation

CERCLA, as amended, imposes liability on responsible parties for the cost of responding to releases or threatened releases of hazardous substances from hazardous waste sites or spills. When these PRPs fail to clean up sites on their own, EPA may perform the cleanup and later attempt to recover the clean-up costs from the parties. Obtaining reimbursement for these costs through judicial action is one of the chief goals of the Superfund program.

Cost recovery documentation is performed by a case development team comprised of representatives from the Office of Regional Counsel (ORC), the regional Program office and the regional Servicing Finance Office. Exhibit VI-12 provides an overview of the cost recovery documentation process. This flow chart identifies the key activities performed, the regional and HQ offices responsible, and the sequence of activities from initiation through completion of the documentation process. The involvement and distribution of responsibilities of each of these offices during the cost recovery process does vary within each region. The flow chart and sequence of activities is provided as a guide. The cost recovery process, which is typically completed within a six week time frame, is briefly described below:

- Initiation of Cost Recovery Process. The regional Program Office prepares and submits the Cost Recovery Checklist to OWPE through the Regional Cost Recovery Coordinator (RCRC) to initiate the HQ documentation process. The checklist is also submitted to the regional SFO to begin the documentation process for regional Superfund site-specific costs. Among other things, the checklist prescribes the date through which costs are to be documented and the date documentation is required by the Case Development Team.

  The RCRC obtains the cost documentation package from OWPE and the SFO and prepares a "merged" cost summary (if this is not done by the regional SFO). The RCRC also requests site-specific Software Package for Unique

Reports (SPUR) from the SFO which provide the cost basis for negotiations with potentially responsible parties.

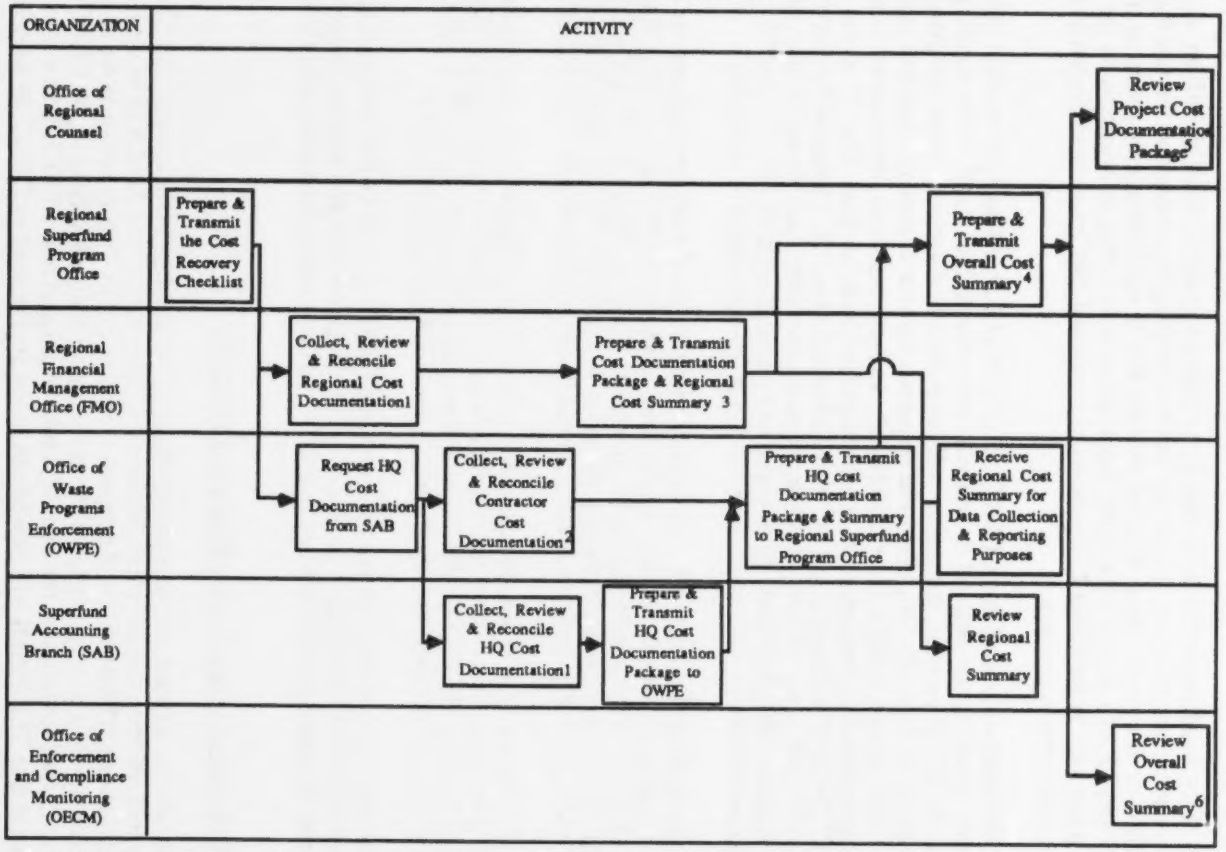
- Cost Documentation and Reconciliation. Cost documentation and reconciliation involve collecting and reviewing required documentation to ensure that accounting and cost information are recorded correctly, that costs are properly chargeable, that account numbers refer to the appropriate site, and that costs on the documents are reflected accurately in FMS. The regional SFO documents regional Superfund site-specific costs and prepares the regional office cost summary; computes indirect costs; provides expert and factual financial witness testimony; provides assistance to legal and program staff interpreting financial documents and SPUR reports, and provides CA cost documentation.

  The Office of Regional Counsel reviews the final cost summary and documentation package in preparation for litigation and takes appropriate actions pursuant to the Privacy Act and regulations concerning Confidential Business Information to ensure that protected information is not released.

- Site File Maintenance. Diligent maintenance of the site files is crucial to cost recovery and is the responsibility of the regions. Site-specific financial files should be maintained by the Financial Management Officer until such time as cost recovery action is initiated or a minimum of six years. The cost recovery case file should be maintained by the RCRC until this cost documentation is required by the litigation team.

EXHIBIT VI-12

COST RECOVERY DOCUMENTATION PROCESS


ORGANIZATION
ACTIVITY
Office of Regional Counsel
Regional Superfund Program Office
Regional Financial Management Office (FMO)
Office of Waste Programs Enforcement (OWPE)
Superfund Accounting Branch (SAB)
Office of Enforcement and Compliance Monitoring (OECM)
Prepare & Transmit the Cost Recovery Checklist
Collect, Review & Reconcile Regional Cost Documentation1
Request HQ Cost Documentation from SAB
Collect, Review & Reconcile Contractor Cost Documentation2
Collect, Review & Reconcile HQ Cost Documentation1
Prepare & Transmit HQ Cost Documentation Package to OWPE
Prepare & Transmit Cost Documentation Package & Regional Cost Summary 3
Prepare & Transmit HQ cost Documentation Package & Summary to Regional Superfund Program Office
Prepare & Transmit Overall Cost Summary4
Receive Regional Cost Summary for Data Collection & Reporting Purposes
Review Regional Cost Summary
Review Project Cost Documentation Package5
Review Overall Cost Summary6

1 FMOs and SAB generate SPUR reports through the "costs through" data listed on the checklist. SAB will generate SPUR reports to those Regional FMOs who request assistance. SPUR reports serve as the basis for the costs to be documented by these offices.
2 OWPE collects documentation to support contractor costs that have not been billed site specific (e.g., Contract Lab and TES Contracts).
3 Financial offices will retain original documents in site specific files. The regional FMO transmits the regional cost summary and the completed cost documentation package to the regional Superfund Program Office. Copies of the summary are transmitted to SAB and OWPE.
4 Regional Superfund Program Office will either send the entire documentation package to Regional Counsel or retain the documentation and send the cost summary only.
5 The Overall summary will be the basis for the initial litigation referral done by Regional Counsel. Privacy Act, Confidential Business Information and references to work performed on other CRECLA sites or RCRA facilities are protected before the documents are released during discovery or at trial.
6 OECM review is made to determine if the case should be referred to the Department of Justice for litigation or back to Regional Counsel.

HANDLING FINANCIAL DATA IN THE CERCLIS ENVIRONMENT

Entering Remedial/Removal Data into CERCLIS

A key step in the handling of financial data is the placement of the EPA identification number, OU, event and event sequence numbers or non-site incident/activity type codes on the funding document by the IMC or designee. These data are the first step in establishing the financial transaction link between FMS and CERCLIS or CERHELP. Since placement of this information on the funding document is such a key step in the CERCLIS process, the regional IMC must be included in the funding document concurrence process.

Under normal operating conditions, CERCLIS or CERHELP will already contain certain planning information related to the event(s) or non-site incident/activities listed on the funding document. During the SCAP process, the region will have identified various events for planned obligations and entered the EPA ID, OU, event and sequence number or non-site/incident activity type codes and contract vehicle into CERCLIS or CERHELP. In these instances, the planned financial information must be replaced by the commitment or obligation financial data. The "P" in the financial type field in CERCLIS must be changed to a "C" (commitment) or an "A" (actual obligation) and the AN/DCN entered into CERCLIS. If a region wants to maintain the planned financial data, the "P" in the financial type field in CERCLIS must be changed to a regional code of "X", "Y", or "Z". In any event, the "P" must not remain in the system once the funds are committed or obligated.

For some unanticipated events (e.g., emergency removals) or for decommitments or deobligations, the funding document may be the first notification to the IMC of a pending financial transaction for a particular event or non-site incident/activity. In these instances, the EPA ID, OU, event and sequence number or non-site activity type codes will not exist within CERCLIS or CERHELP. Therefore, these data and the AN/DCN must be entered into CERCLIS or CERHELP.

The EPA ID, OU, event and sequence number or non-site incident/activity type codes, the AN and DCN need to be recorded and entered into CERCLIS or CERHELP in order to link FMS financial data with CERCLIS or CERHELP. The IMC must ensure that each unique pair of AN and DCN related to a specific event or non-site activity is entered into CERCLIS or CERHELP.

At this time, certain data are optional for entry into CERCLIS or CERHELP by the regions. These include commitment/decommitment or obligation/deobligation date and amount, financial type and contractor name. Regions are not required to enter outlay or credit information into CERCLIS.

Entering Enforcement Case Budget Data into CERCLIS

The region will be responsible for entering obligations/tasking (WAs issued) into CERCLIS. For IAGs that support enforcement activities, regions will have to post the AN/DCN in the financial notes. For all TES actions, TESWATS will produce a weekly report listing actual WAs issued (CO sign off). This information is to be posted into the current year obligation field in the CERCLIS financial field record. Each transaction for each WA will be entered into CERCLIS as a separate record. It is expected that TESWATS will provide an automated upload to CERCLIS sometime in FY89. All regional transactions should be entered on a realtime basis or, at a minimum, by the 7th of the following month. The regions are responsible for verifying the information in FMS and CERCLIS for obligations or deobligations and outlays incurred.

To ensure that all appropriate financial data are reflected in CERCLIS, the following information should appear on obligation documents: EPA ID number, site/spill ID number, CERCLIS Event or Enforcement activity codes and OU number, WA number, and dollars.

A crosswalk is provided in Appendix C displaying the relationship between CERCLIS Enforcement activities, Remedies and Events and their corresponding codes.

ANs must be established for each transaction before commitment and obligation. A CA is considered obligated when it is signed by the Regional Administrator. An IAG is considered obligated when it is signed by the other agency. Contracts are considered obligated when the CO signs the obligating document or, in the case of a TES WA, when the CO signs the WA. Regions are also responsible for reviewing and recommending payment of the invoice/voucher (outlays) for these mechanisms. Once invoices are paid, these dollars are entered into FMS. If the obligation was generic and the invoice is site specific, FMS shows the funds deobligated from the generic account and obligated and disbursed from the site specific account. It is expected that a down load of Enforcement FMS data will occur sometime in FY89 for all obligations except TES and PNRS. In preparation for the FMS download, each region must post the AN and DCN in the financial notes for the appropriate enforcement activity. The regions will need to verify that the outlay data are accurate and downloaded from FMS into the correct place in CERCLIS.

FMS to CERCLIS Financial Data Transfer

On Thursday of each week, an automated transfer of selected financial data from FMS to CERCLIS and CERHELP will take place. Exhibit VI-13 indicates the removal and remedial financial data to be transferred.

EXHIBIT VI-13

REMOVAL AND REMEDIAL FINANCIAL DATA TO BE TRANSFERRED FROM FMS

- Commitments and decommitments
- Obligations and deobligations
- Funding vehicle
- Outlays and credits (funding type and amount)
- Obligating document number
- Document control number

During the transfer, an automated matching process will occur linking the FMS AN/DCN with the identical unique AN/DCN pair in CERCLIS or CERHELP. If the necessary financial information has not been entered into CERCLIS, the FMS/CERCLIS link will not be established and the automated transfer process for that AN/DCN transaction will not occur. In cases where the link cannot be established, CERCLIS will generate an error report noting the problem areas.

It is important for the regions to note that they are ultimately responsible for the accuracy of the CERCLIS or CERHELP data bases. Regions will have to ensure that both the planned data entered as part of the SCAP process and the actual data transferred from FMS are accurate and current. Since FMS is the Agency's official source of financial data, data transferred from FMS will override CERCLIS data entered by the regions. A weekly exception report is used to aid in identifying errors or differences between FMS and CERCLIS. Errors that have been carried over from FMS must be corrected in both FMS and CERCLIS.

Correcting Financial Data

The region's FMS administrator is the only person authorized to make changes in the FMS data base. The IMC or designee should work with the regional FMO on a regular basis to make sure that all FMS errors are corrected. The IMC can request, on a regular basis, a report from the regional Financial Office which contains all Superfund financial transactions in FMS. The information in this report can be compared with the funding documents and CERCLIS. Upon determining that the data on the source document was correct and were correctly entered into CERCLIS, the IMC should give the regional FMO a copy of the funding document, and any other relevant documentation, showing that the FMS data are in error.

The Office of the Comptroller has issued standard procedures for correcting FMS data. There are three kinds of corrections which may be needed on financial information in FMS as shown in Exhibit VI-14.

EXHIBIT VI-14

CORRECTIONS TO FINANCIAL INFORMATION IN FMS

- Data entry errors in FMS.
- Changing account numbers or document control numbers that were initially entered into FMS.
- Correcting errors in the source funding document or making other amendments to existing commitments or obligations.

FMS data entry errors are resolved by the FMO. Errors in AN/DCN, or other information on the original funding document can only be corrected by the same process used to initially create the financial record (by a contract/PR or by amendment of the IAG or CA).

CHAPTER VII - PROGRAM MANAGEMENT AND ASSESSMENT

This chapter establishes procedures that assess the accomplishments of the Superfund Program and prescribes steps for focusing on slipping targets. The Superfund management and assessment strategy has the components shown in Exhibit VII-1, which are defined in detail in this chapter.

EXHIBIT VII-1

MANAGEMENT/ASSESSMENT STRATEGY

- Assistant Administrator monthly progress reviews
- Quarterly reviews with mid-year and end-of-year assessment and the development of action strategies for slipping targets
- OSWER reviews, which include regional self-evaluations and on-site review
- Special studies

Together these components give management the opportunity to recognize, and to capitalize on, high performance by moving resources to regions that can assist in meeting national program priorities; and provide technical assistance to regions that are experiencing difficulties.

HQ/REGIONAL RESPONSIBILITIES

Both HQ and the regions have assessment and implementation responsibilities as shown in Exhibit VII-2 on the following page.

HOW EVALUATION FITS IN

Superfund goal setting, planning, resource allocation, and evaluation are all intended to work together to accomplish program goals. The evaluation process gives program managers regular opportunities, after the formal planning process has ended, to:

- Initiate changes in program operations or reallocate resources to influence program objectives;
- Examine program accomplishments; and
- Raise issues that have an impact on performance.

EXHIBIT VII-2

IMPLEMENTATION RESPONSIBILITIES

REGIONAL RESPONSIBILITIES

Meet quarterly SCAP and SPMS targets and solve performance problems when they arise.

Provide quarterly SCAP and SPMS data to HQ through CERCLIS.

Maintain CERCLIS data quality at high levels for Superfund program and project management.

Prepare Self-Evaluations and participate in OSWER On-Site Reviews.

Provide input to the development of qualitative measures for Self-Evaluations.

Negotiate performance standards that provide individual accountability for quarterly targets.

Develop action strategy to recoup slipping targets.

HEADQUARTERS RESPONSIBILITIES

Provide guidance to the regions for preparing the quarterly review, and the OSWER On-Site Review.

Review regional Self-Evaluation and participate in OSWER On-Site Reviews.

Review quarterly data reported by the regions.

Negotiate action strategies with regions for recouping slipping targets.

Recommend resource re-allocations based on regional needs and performance.

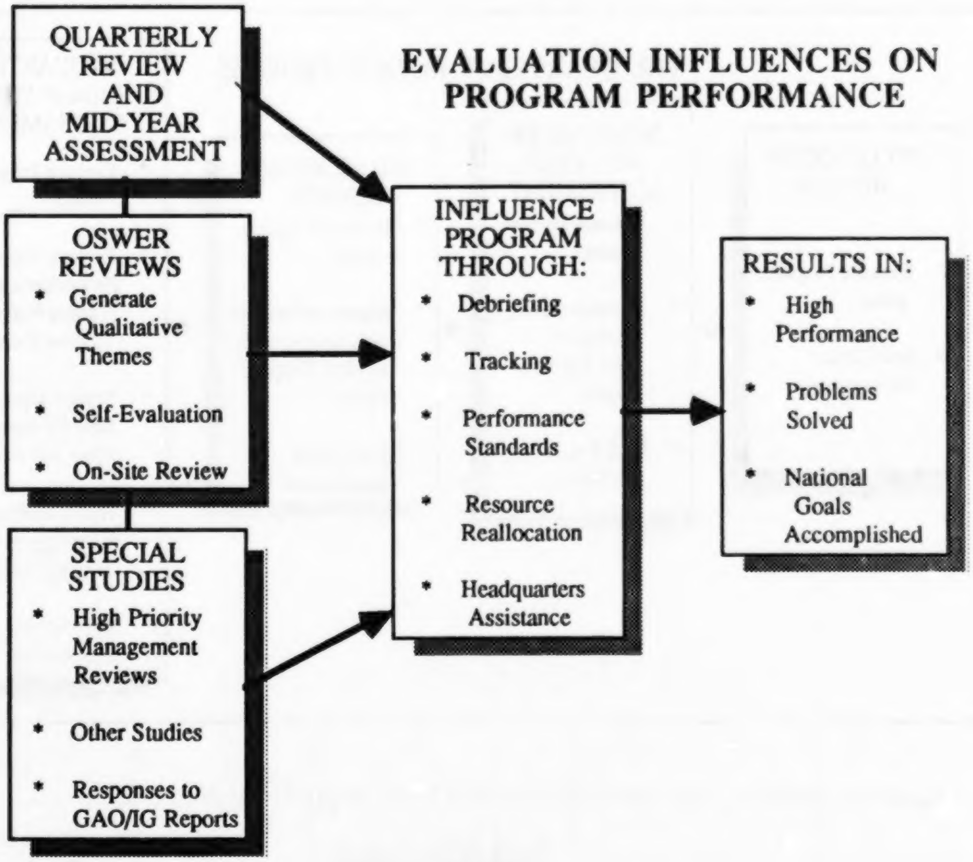
Implement and report on follow-up action items from the OSWER On-Site Review, Superfund quarterly reviews and mid-year assessment and track regional implementation.

Assure that all staff are informed of the results of quarterly reporting and OSWER reviews.

Evaluation allows program managers to influence program performance by providing information on regional activities and offering solutions . See Exhibit VII-3 on the following page.

EXHIBIT VII-3

EVALUATION INFLUENCES ON PROGRAM PERFORMANCE


QUARTERLY REVIEW AND MID-YEAR ASSESSMENT
OSWER REVIEWS
* Generate Qualitative Themes
* Self-Evaluation
* On-Site Review
SPECIAL STUDIES
* High Priority Management Reviews
* Other Studies
* Responses to GAO/IG Reports
INFLUENCE PROGRAM THROUGH:
* Debriefing
* Tracking
* Performance Standards
* Resource Reallocation
* Headquarters Assistance
RESULTS IN:
* High Performance
* Problems Solved
* National Goals Accomplished

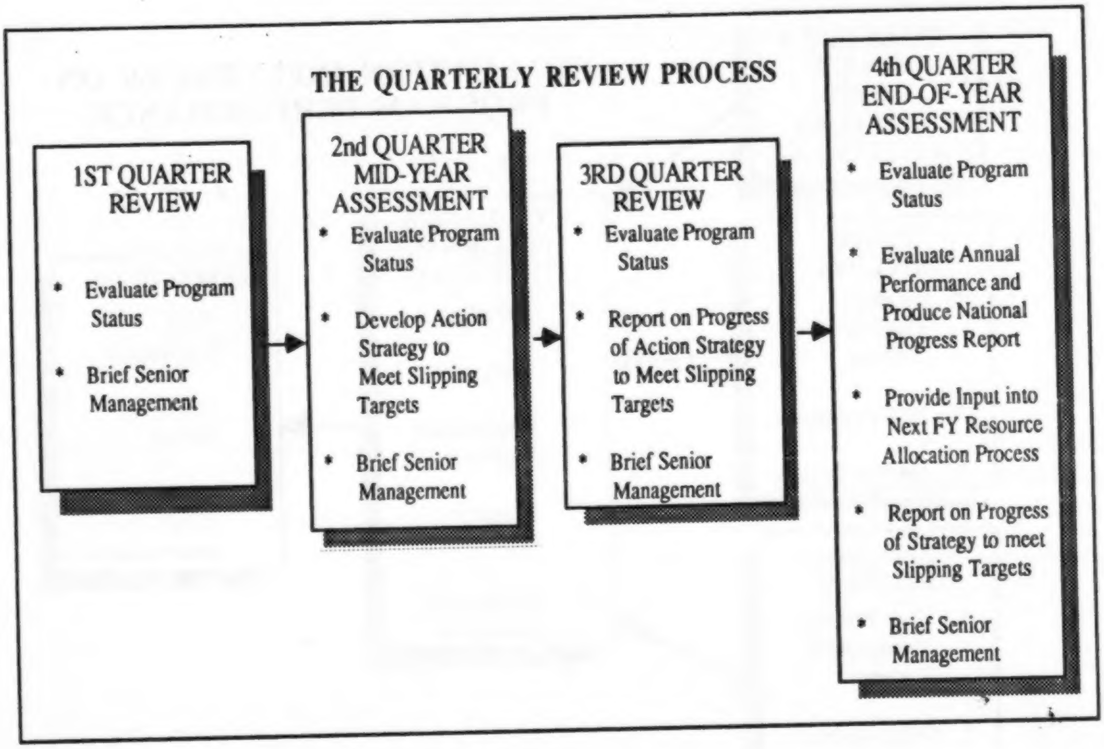
QUARTERLY REVIEWS

The quarterly review process is intended to:

- Track regional progress towards quarterly and end-of-year SCAP and SPMS targets;
- Resolve problems; and
- Develop strategies to recoup slipping targets.

Quarterly reviews, including the mid-year and end-of-year assessment, provide a vehicle for monitoring regional progress toward negotiated program output levels (Exhibit VII-4). The quarterly review process establishes a forum for discussing issues impacting performance as well as innovative regional techniques for achieving targets. On a national scale, the process allows HQ management to identify trends in program performance and adjust program management strategies accordingly.

EXHIBIT VII-4


THE QUARTERLY REVIEW PROCESS
1ST QUARTER REVIEW
* Evaluate Program Status
* Brief Senior Management
2nd QUARTER MID-YEAR ASSESSMENT
* Evaluate Program Status
* Develop Action Strategy to Meet Slipping Targets
* Brief Senior Management
3RD QUARTER REVIEW
* Evaluate Program Status
* Report on Progress of Action Strategy to Meet Slipping Targets
* Brief Senior Management
4th QUARTER END-OF-YEAR ASSESSMENT
* Evaluate Program Status
* Evaluate Annual Performance and Produce National Progress Report
* Provide Input into Next FY Resource Allocation Process
* Report on Progress of Strategy to meet Slipping Targets
* Brief Senior Management

Quarterly reviews follow the same schedule for each quarter (Exhibit VII-5).

EXHIBIT VII-5

QUARTERLY REVIEW SCHEDULE

The quarterly review schedule begins twelve business days before the end of a quarter with an OPM memorandum and an OMSE evaluation schedule sent to the regions. On the fifth working day following the end of the quarter Headquarters pulls the accomplishment data from CERCLIS.

Eight to fifteen working days following the end of the quarter the regions, in conjunction with the appropriate Headquarters program office, verify the data in the OMSE system. Approximately fifteen business days after the quarter ends, the SPMS numbers become final.

During the quarterly evaluation process, HQ is responsible for reviewing:

- SCAP/SPMS Targets and Accomplishments Report; and
- Additional data from CERCLIS that have been generated either by HQ or by the region.

Regions are responsible for:

- Analyzing preliminary SCAP and SPMS data to assess the likelihood of slippage and regional potential to meet or exceed annual targets; and
- Implementing action items that result from the review.

It should be stressed that the regions are responsible for data entry and data quality. If data are not entered into CERCLIS, performance accomplishments will not be captured in the data pull nor will they be entered into the OMSE SPMS system.

Once the numbers are final, HQ and regional Division Directors, OERR and OWPE Office Directors, the AA SWER, and the EPA Deputy Administrator are briefed individually on regional performance. This occurs 15 - 30 business days following the end of the quarter.

The Mid-Year Assessment

During the second quarter, a mid-year assessment is conducted of regional progress toward annual SCAP and SPMS targets. The mid-year assessment begins in February when the regions begin examining their progress toward end-of-year targets in preparation for the second quarter negotiations. If regions feel they can exceed annual targets, they should identify if further progress can be made and what resources are needed. HQ and regional responsibilities for the mid-year assessment are the same as those under the regular quarterly review process.

The outcome of the mid-year assessment is a set of agreements between HQ and the regions on actions taken to recoup slipping targets or exceed end-of-year targets The results of the mid-year assessment can influence resource allocations for the next fiscal year. It will be completed at the same time as preliminary targets and FTE allocations are being developed.

Regions may be visited as part of the mid-year assessment. HQ Division Directors will recommend regions to visit to the OSWER Office Directors. On-site assessments are expected to last between two and three days and will be combined with negotiations. HQ participants for the review will be Section and/or Branch chiefs.

The End-of-Year Assessment

In October and November, after the end of the fourth quarter, there is an end-of-year assessment. This assessment will produce an integrated analysis of program performance activities for that year, emphasizing pipeline issues and noting regional variation as appropriate. It will also review progress toward implementing mid-year action strategies and identify any regions that might require additional assistance as the fiscal year begins.

The results of the end-of-year assessment will be available prior to development of the next fiscal year's workload model in December. The end-of-year assessment will be one of the items considered by HQ when the "straw" model is developed in mid-December.

OSWER REVIEW

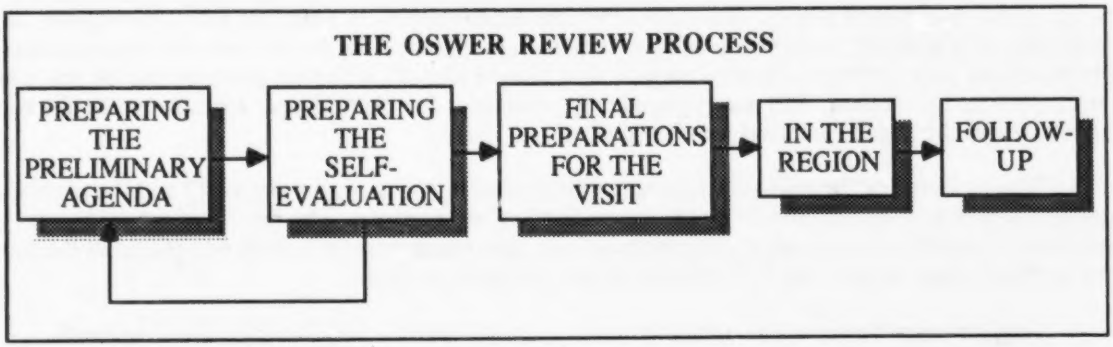
The OSWER review integrates the concerns of OERR, OWPE, OSW, and the AA's staff on a regional basis. Each region is reviewed once every 18 to 24 months.

The OSWER review serves five basic purposes:

- To assess regional performance;
- To gain regional perspectives on important implementation issues;
- To help solve regional problems by identifying actions to be taken by HQ or the regions;
- To facilitate technology transfer and communication among regions; and
- To discuss the relationship among OSWER programs.

The OSWER review has five steps (Exhibit VII-6):

EXHIBIT VII-6


THE OSWER REVIEW PROCESS
PREPARING THE PRELIMINARY AGENDA
PREPARING THE SELF-EVALUATION
FINAL PREPARATIONS FOR THE VISIT
IN THE REGION
FOLLOW-UP

Preparing the Preliminary Agenda

The development of the preliminary agenda begins approximately 12 weeks before an OSWER review is due to take place. The preliminary agenda is composed of issues related to:

- Specific performance expectations derived from Annual Operating Guidance, major regulations (e.g., the NCP), and other important guidance documents;
- Region specific issues related to regional performance; and
- Program concerns and priorities.

The preliminary agenda is intended to focus regional Self-Evaluations and ensure that regions address issues of interest to HQ senior management, individual programs, and program-wide performance expectations.

Performance expectations will be identified from the Annual Operating Guidance and other goal setting documents (e.g., major regulations, policy statements, other guidance). Performance expectations are intended to focus the region on important program-wide issues and establish a series of expectations about program activities. Performance expectations will be identified annually and updated as changes in program goals or priorities occur.

Approximately 12 weeks before each OSWER review, OWPE and OERR management will identify region and program specific issues. These issues should reflect program concerns about that region's performance in the areas related to their responsibility and concerns and priorities related to the operation and accomplishments of the program as a whole. These issues are then combined, performance expectations are added, redundancies are eliminated, and the preliminary agenda is sent to the region. The final product will consist of a small number of focused questions and performance expectations.

At the same time as the preliminary agenda is developed, HQ will identify potential review issues and potential team members for the review. Team members should be upper management to assure knowledge of the program and the authority to commit program resources to specific actions agreed upon during the review.

Preparing the Self-Evaluation

The regional Self-Evaluation is one of several tools used by the regions and HQ to prepare for the OSWER review.

Self-Evaluations allow HQ to focus its preparation for an OSWER review on those areas that the region perceives to be important.

Through the Self-Evaluation, regions:

- Present their perspective on the Superfund program;
- Assess their performance to date, identify problems and propose solutions; and
- Respond directly to qualitative measures provided by HQ.

What Should the Evaluation Cover

The regional Self-Evaluation should be brief and should follow a highly structured format so that HQ personnel can easily delegate sections to the appropriate programs for review. HQ will issue guidance to regions to help organize the Self-Evaluations. Generally, Self-Evaluations should focus on broad program issues that are vital to the long-term effectiveness of the program. Other issues that could be addressed include:

- Systemic problems that frustrate regional attempts to meet annual targets;
- Problems that the region feels HQ needs to remedy;
- Areas where the region needs technical assistance; and
- Ideas or proposals the region has for improving the success of the program.

Self-Evaluations prepared between April and September 30 should discuss progress made in implementing the action strategies negotiated during the mid-year assessments and in accomplishing year-end targets.

Self-Evaluations should not:

- Discuss SCAP and SPMS targets. The quarterly review process provides sufficient attention to them. However, general discussion of program performance would be appropriate; and
- Address day-to-day issues or problems that could be effectively dealt with through normal HQ-regional channels.

When the Self-Evaluation is returned, the team will review it in the context of the issues raised in the preliminary agenda. CERCLIS data will be made available for comparison with other regions and to explore other dimensions of regional performance. The comments from the team are then given to the Program Area Team Leader to produce the final program agenda. The final agenda is sent to the region two weeks prior to the review.

EXHIBIT VII-7

WHEN SHOULD THE SELF-EVALUATION BE PREPARED?

Approximately ten weeks prior to the OSWER Review, HQ sends the region the preliminary agenda and a sample Self-Evaluation. The region has approximately four weeks to prepare the Self-Evaluation.

In the Region

The review consists of a three- to four- day series of management level discussions in the region on issues identified in the detailed agenda. After an introductory briefing, concurrent breakout sessions are held on individual program or policy areas. A series of subsequent meetings are then held to discuss issues brought up at these meetings in more detail. If necessary, file reviews may be performed to verify information.

After each day's meetings, Review Team Leaders are responsible for documenting the results of their individual sessions. This information is then incorporated into the Implementation Report. The visit concludes with a senior management session at which agreement is reached on further steps to be taken by HQ and the region.

Follow-Up

The final step of the review consists of implementing actions agreed to during the site visit and monitoring their implementation. Immediately after the visit is completed, the region's comments on the implementation review report are submitted to and reviewed by the program offices. Program office and regional comments are then sent to the AA SWER. After the comments have been reviewed, and necessary revisions made, the final Implementation Review Report is sent to the region.

The follow-up action items are put into the OSWER tracking system. Six months after the OSWER review has occurred, responsible Divisions at HQ and in the regions must report progress on implementing follow-up items to the Management and Evaluation Section (MES).

EXHIBIT VII-8

PRODUCTS OF THE OSWER ON-SITE REVIEW

BRIEFING POINTS: Briefing points are developed from individual program sessions. They are a series of bullet points that summarize the key issues and responses. They are used to brief the Program Director at the HQ Team Meeting on the final day of the review.

IMPLEMENTATION REVIEW REPORT: The implementation review report is prepared on-site during the review. It includes all of the findings resulting from the review. A preliminary report is filed with the region for comment prior to the departure of the HQ review team.

FOLLOW-UP ACTION ITEMS: The follow-up action items are actions agreed to by both HQ and the regions to remedy some of the problems raised during the review. Each action item is assigned to either a regional or HQ division. It is that division's responsibility to implement the action designated in that action item and to track regional items.

SPECIAL STUDIES

Each year resources will be set aside for 3-5 high priority management studies. These studies will satisfy FMFIA requirements as well as the Program's need for evaluation information. Divisions and the regions will be solicited for issues that may be the focus of the high priority studies. A candidate list of studies will be produced for the OERR and OWPE Directors' use in selecting final studies. These studies will be determined by early March to satisfy FMFIA workplan requirements.

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